

**CONTINUED SECTION 341 MEETING OF CREDITORS  
BANKRUPTCY CASE OF TEHUM CARE SERVICES, INC.**

**CASE NO. 23-90086**

**JULY 21, 2023**

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**APPEARANCES:** Andrew Jimenez, Trustee  
Aaron Kaufman, Attorney (Counsel for Debtor)  
Isaac Lefkowitz, (for Debtor)  
Russell Perry, Chief Restructuring Officer, (for Ankura)  
Ian Cross, Attorney (for William Kelly and Kochise Jackson)  
Nick Zluticky, Attorney (Official Committee of Unsecured Creditors)  
Parrish Collins, Attorney (for the Estate of April Trugillo, personal Rep. for  
Eugenio Mathis)  
Val Early, Attorney (for Tracey Gissom)

1 ANDREW JIMENEZ, TRUSTEE: Good afternoon, today is July  
2 21st, 2023, the time is 1 p.m.  
3 Central Standard Time. Ah, we are  
4 here on the Continued Section 341  
5 Meeting of Creditors in the  
6 bankruptcy case of Tehum Care  
7 Services, Inc., Case No. 23-90086  
8 pending before the United States  
9 Bankruptcy Court for the Southern  
10 District of Texas.

11 My name is Andrew Jimenez, I am an  
12 attorney for the United States  
13 Department of Justice, and I  
14 represent the United States  
15 Trustee.

16 Ah, for the record this meeting is  
17 being digitally recorded, the U.S.  
18 Trustee's recording is the only  
19 authorized recording; nobody else  
20 should be recording this meeting.

21 Um, will counsel for the debtor  
22 identify himself, please?

23 AARON KAUFMAN: Yes. Ah, for the record, Aaron  
24 Kaufman of Gray Reed for the  
25 debtor. And do you want me to

1 introduce the debtor  
2 representatives here on the line?  
3 ANDREW JIMENEZ, TRUSTEE: Yes, go ahead, please.  
4 AARON KAUFMAN: Okay. Ah, on the line for the  
5 debtor is ah, the debtor's  
6 director, Isaac Lefkowitz, and the  
7 debtor's Chief Restructuring  
8 Officer, Russell Perry of Ankura.  
9 ANDREW JIMENEZ, TRUSTEE: Okay. So, at this -- at this  
10 time, we're gonna take um, we're  
11 gonna swear ah -- ah, the  
12 witnesses. We'll start with Mr.  
13 ah, Lefkowitz. Mr. Lefkowitz,  
14 could you please raise your right  
15 hand?  
16 ISAAC LEFKOWITZ: Yes.  
17 ANDREW JIMENEZ, TRUSTEE: Could you -- could you please  
18 state your full name for the  
19 record.  
20 ISAAC LEFKOWITZ: Isaac Lefkowitz.  
21 ANDREW JIMENEZ, TRUSTEE: Do you swear or affirm that the  
22 testimony you are about to give is  
23 the truth, the whole truth, and  
24 nothing but the truth?  
25 ISAAC LEFKOWITZ: I affirm.

1 ANDREW JIMENEZ, TRUSTEE: Ah, Mr. Perry, could you please  
2 raise your right hand and tell me  
3 when you're ready.

4 RUSSELL PERRY: Ah, I'm ready.

5 ANDREW JIMENEZ, TRUSTEE: 'Kay. Could you please state your  
6 full name for the record?

7 RUSSELL PERRY: Ah, Russell Perry.

8 ANDREW JIMENEZ, TRUSTEE: Do you swear or affirm that the  
9 testimony you're about to give is  
10 the truth, the whole truth, and  
11 nothing but the truth?

12 RUSSELL PERRY: I do.

13 ANDREW JIMENEZ, TRUSTEE: So, since this meeting of  
14 creditors is being conducted  
15 telephonically, um, I can't do  
16 what I would normally do, which is  
17 to check the ah, identifications  
18 of the witnesses. So, Mr. Kaufman,  
19 as an Officer of the Court, can  
20 you please confirm that the  
21 individuals on -- on the phone are  
22 indeed who they claim to be.

23 AARON KAUFMAN: I can confirm that, yes.

24 ANDREW JIMENEZ, TRUSTEE: Thank you, Mr. Kaufman. Um, we  
25 have ah -- a several ah, ah,

1 creditors ah, on the call. Ah, I  
2 will give all the creditors  
3 present the opportunity to ask  
4 questions. I just ask you to  
5 please ah, wait until - - until I  
6 call you ah, to ask your  
7 questions. So, anyone, who is not  
8 um, answering questions at this  
9 point, ah, would you please ah,  
10 mute your phone that way ah, you  
11 will help us reduce background  
12 noise.

13 So, during this call, are we --  
14 ah, I will be using the term  
15 "debtor" and when I say, debtor, I  
16 am referencing Tehum Care  
17 Services, Inc. formerly doing  
18 business as Corizon ah, Healthcare  
19 Services, Inc.

20 Um, so Mr. Lefkowitz, on July 19,  
21 2023, the debtor filed a second  
22 amended Schedule A/B in Docket No.  
23 810. And a second amended  
24 Statement of Financial Affairs ah,  
25 Docket No. 811.

1 Mr. Lefkowitz, did you review the  
2 second amended Schedule A/B of  
3 Docket No. 810?

4 ISAAC LEFKOWITZ: Yes, I did.

5 ANDREW JIMENEZ, TRUSTEE: Are the changes to the second  
6 amended Schedule A/B true and  
7 correct to the best of your  
8 knowledge and belief?

9 ISAAC LEFKOWITZ: Yes, it is.

10 ANDREW JIMENEZ, TRUSTEE: Did you review the amended  
11 Statement -- the second amended  
12 Statement of Financial Affairs of  
13 Docket No. 811?

14 ISAAC LEFKOWITZ: Yes, I did.

15 ANDREW JIMENEZ, TRUSTEE: Are the changes to the second  
16 amended Statement of Financial  
17 Affairs true and correct to the  
18 best of your knowledge and belief?

19 ISAAC LEFKOWITZ: Yes, it is.

20 ANDREW JIMENEZ, TRUSTEE: At this time, are there any  
21 changes or amendments that you  
22 wish to make on the petition  
23 schedules or Statement of  
24 Financial Affairs?

25 ISAAC LEFKOWITZ: Not at this time.

1 ANDREW JIMENEZ, TRUSTEE: Okay. And I just wanna confirm  
2 that the signature that appears on  
3 the ah, -- on the second amended  
4 Schedule A/B of Docket No. 810 is  
5 your signature; correct?

6 ISAAC LEFKOWITZ: Yes.

7 ANDREW JIMENEZ, TRUSTEE: And -- the signature on the second  
8 amended Statement of Financial  
9 Affairs on Docket No. 811 that is  
10 your signature; correct?

11 ISAAC LEFKOWITZ: Correct.

12 ANDREW JIMENEZ, TRUSTEE: Okay. So, I'm -- I'm -- I wanna  
13 ask some questions regarding  
14 notice and ah, for these  
15 questions, if -- if -- ah, I'm  
16 gonna start with Mr. Lefkowitz,  
17 but Mr. Russell, if you think you  
18 have something to add, just let me  
19 know and I will give you the  
20 opportunity to ah, to an -- to  
21 answer, as well.

22 Um, for the Notice of the Bar  
23 Date, ah, can you walk us through  
24 what records or how the debtor  
25 ascertained information ah,

1 specifically for prisoners ah, to  
2 notice those parties?  
3 ISAAC LEFKOWITZ: This question ah, address to me or  
4 to Counsel?  
5 ANDREW JIMENEZ, TRUSTEE: No. It's -- it's for you, Mr.  
6 Lefkowitz.  
7 ISAAC LEFKOWITZ: Um, it's -- pulled from the  
8 records off the server.  
9 ANDREW JIMENEZ, TRUSTEE: What -- what server are you  
10 referring to?  
11 ISAAC LEFKOWITZ: The server of the debtor.  
12 ANDREW JIMENEZ, TRUSTEE: So, to -- to date, ah, is it your  
13 understanding that prisoners that  
14 filed grievances to the extent  
15 that the debtor can obtain the --  
16 their mailing information ah, was  
17 served with notice of the claims  
18 Bar Date?  
19 ISAAC LEFKOWITZ: (STAMMERS) -- we basically  
20 instructed Counsel to comply with  
21 the law on how to notice creditors  
22 that's incarcerated.  
23 ANDREW JIMENEZ, TRUSTEE: I'm -- I'm -- I'm not sure that  
24 answers my question. So, let me -  
25 - let me repeat it. Is it your



1 understanding --

2 ISAAC LEFKOWITZ: Okay.

3 ANDREW JIMENEZ, TRUSTEE: -- that prisoners that file  
4 grievances were served with --

5 ISAAC LEFKOWITZ: (CROSSTALK) -- grievances.

6 ANDREW JIMENEZ, TRUSTEE: -- notice of the claims Bar Date?

7 ISAAC LEFKOWITZ: Um, (INAUDIBLE), I don't know  
8 exactly the process, but we -- you  
9 know, we have a servicing company  
10 we provided all the information of  
11 the clients (INAUDIBLE) the  
12 debtor, and whatever the service  
13 company, you know, did according  
14 to the rules.

15 ANDREW JIMENEZ, TRUSTEE: Do you know if, the -- notices  
16 were sent out to prisoners that  
17 may have filed grievances, but not  
18 filed lawsuits against the debtor?

19 ISAAC LEFKOWITZ: I'm not sure if the notices were  
20 actually mailed to, you know, the  
21 addresses, but what I do know is  
22 we -- we publicized it in the  
23 major publications nationwide and  
24 The New York Times and The Wall  
25 Street Journal, so ah, notices has

1                   been given.

2   AARON KAUFMAN:

3                   Mr. -- Mr. Jimenez, this Aaron  
4                   Kaufman. I sent you and Mr. Wynn,  
5                   the -- the list of ah, claimants  
6                   to (INAUDIBLE) notified, ah, at  
7                   least the one that's on the  
8                   docket. I can -- I'm happy to send  
9                   you the unredacted version, if  
10                  that's what you're looking for.  
11                  And I think what Mr. Lefkowitz is  
12                  trying to say is, now, he -- he  
13                  instructed counsel to ah, comply  
14                  with the, you know, the  
15                  (INAUDIBLE) Standards to give  
16                  notice, actual notice to creditors  
17                  so the debtor can reasonably  
18                  ascertain their -- their addresses  
19                  and -- that's what we did working  
20                  with KCC.

20   ANDREW JIMENEZ, TRUSTEE:

21                  So, Mr. Lefkowitz, um, did -- does  
22                  the debtor have the addresses of  
23                  ah, prisoners that -- that have  
24                  filed grievances against the  
25                  debtor?

25   ISAAC LEFKOWITZ:

                  Um, (INAUDIBLE) pending --

1 depending of the age and the date  
2 of the grievance. Ah, some folks  
3 file grievances while their still  
4 an inmate, and then now, they're  
5 discharged. So, we no longer have  
6 their address, we only have the  
7 clients of the debtor, which is  
8 certain states and or certain  
9 cities, and they probably have the  
10 further, you know, locations and  
11 addresses of, you know, the  
12 released inmate. Ah, but I'm not  
13 certain that, you know, all  
14 addresses that we have is the  
15 perfect, up-to-date address.

16 ANDREW JIMENEZ, TRUSTEE:

Okay. But can you confirm if the  
17 debtor has sent Notice of the Bar  
18 Date to the addresses that you --  
19 you do have on file?

20 ISAAC LEFKOWITZ:

Um, the ones that we reasonably  
21 ascertain, yes. And that was all  
22 done through KCC.

23 ANDREW JIMENEZ, TRUSTEE:

So, that would be -- that would be  
24 -- that would be found on the  
25 various Certificates of Service

1 that the claims agent filed?

2 ISAAC LEFKOWITZ: Correct.

3 ANDREW JIMENEZ, TRUSTEE: Okay. Can you identify what are

4 um, in the -- in the docket where

5 those certificates of services --

6 of service were filed?

7 AARON KAUFMAN: Ah, Mr. Jimenez, there -- there's

8 a handful of them and I'm happy to

9 that. I don't -- I doubt Mr.

10 Lefkowitz --

11 ANDREW JIMENEZ, TRUSTEE: So -- this -- this is Mr. Kaufman?

12 AARON KAUFMAN: -- you know, the docket numbers.

13 ANDREW JIMENEZ, TRUSTEE: This is Mr. Kaufman?

14 AARON KAUFMAN: Yes, sorry.

15 ANDREW JIMENEZ, TRUSTEE: Okay. So, Mr. Kaufman, just --

16 just ah, please remember that

17 we're trying -- this is being con

18 -- conducted telephonically, so

19 whenever you speak or someone

20 speak, please state your name for

21 the record. That way ah, we can -

22 -

23 AARON KAUFMAN: Understand.

24 ANDREW JIMENEZ, TRUSTEE: -- have a clear record of -- of

25 who is speaking. Ah, so, I

1 understand. Mr. Kaufman, if -- if  
2 you know the answer can you please  
3 share it with us? If -- if you  
4 don't know it, just -- just --  
5 just tell me -- just tell me so.

6 AARON KAUFMAN: Sure. So, this is Aaron Kaufman,  
7 I'll -- I'll pause and let Mr.  
8 Lefkowitz answer, if he knows.

9 ISAAC LEFKOWITZ: So again um, I don't -- I don't  
10 follow the actual docket or the  
11 docket numbers. We instructed  
12 counsel to do exactly, you know,  
13 what the -- what the law requires  
14 to notice the creditors and -- and  
15 far as I know, it all has been  
16 accomplished ah, through the  
17 services of KCC.

18 ANDREW JIMENEZ, TRUSTEE: Okay. So -- have -- have you --  
19 have you -- have you verified ah,  
20 or some of your professionals,  
21 have they verified that for you?

22 ISAAC LEFKOWITZ: Um -- it was confirmed --

23 AARON KAUFMAN: This is Aaron Kaufman, I --I  
24 verified it and I think I've sent  
25 it to you, Mr. Jimenez.

1 ANDREW JIMENEZ, TRUSTEE: Okay. Mr. -- Mr. Kaufman, I -- I  
2 appreciate your trying to help,  
3 but please let the -- the witness  
4 answer -- answer the questions.  
5 If -- if I need any further  
6 information from you, I will make  
7 sure to reach out to you.

8 So, Mr. -- Mr. -- Mr. Lefkowitz,  
9 you just said a moment ago, that  
10 you -- you were certain that K --  
11 KCC had complied with that. So,  
12 my question is, have you had  
13 someone verified that for you?

14 ISAAC LEFKOWITZ: It was -- it was confirmed to me  
15 by counsel that it has been  
16 verified.

17 ANDREW JIMENEZ, TRUSTEE: Can you confirm that there is no  
18 subset of creditors including  
19 prisoners that the debtor has  
20 ascertained mailing -- mailing  
21 information, but service of the  
22 Bar Date Notice was withheld?

23 ISAAC LEFKOWITZ: (INAUDIBLE)that is confirmed.

24 ANDREW JIMENEZ, TRUSTEE: Are you -- are you not aware of  
25 any other groups that needed to be

1 served of the Bar Date Notice at  
2 this time?

3 ISAAC LEFKOWITZ: Correct.

4 ANDREW JIMENEZ, TRUSTEE: Have you reviewed the Proof of  
5 Claims in this case?

6 ISAAC LEFKOWITZ: Yes.

7 ANDREW JIMENEZ, TRUSTEE: Did the debtor receive proof --  
8 Proof of Claims from inmates that  
9 initiated grievances, but not  
10 lawsuits?

11 ISAAC LEFKOWITZ: Correct.

12 ANDREW JIMENEZ, TRUSTEE: So, it's -- what is -- what is  
13 your answer?

14 ISAAC LEFKOWITZ: The answer is yes, we -- we  
15 receive all kinds of letters, you  
16 know, call it a claim, call it a  
17 Notice to a Claim. But we do have  
18 what we call a claim, but not a  
19 lawsuit from (CUTOUT) (INAUDIBLE).

20 ANDREW JIMENEZ, TRUSTEE: Okay. And -- and my question was  
21 specifically about folks that are  
22 incarcerated, but haven't filed a  
23 lawsuit have they filed a Proof of  
24 Claim in this bankruptcy case?

25 ISAAC LEFKOWITZ: I'm not aware of any.

1 ANDREW JIMENEZ, TRUSTEE: Okay. So, Mr. Lefkowitz, I'm  
2 going to ask you some questions  
3 regarding the amended ah, Schedule  
4 A, A/B, ah, in Docket No. 810.  
5 Ah, let me know when you have the  
6 document in front of you.

7 ISAAC LEFKOWITZ: Okay. What page number?

8 ANDREW JIMENEZ, TRUSTEE: Okay. Um, so, first let's  
9 (INAUDIBLE) the debtor made  
10 changes to the answer to question  
11 No. ah, 73 in Schedule A/B, which  
12 is about -- which asks about  
13 interests and insurance policies  
14 and annuities. Ah, so the answer  
15 is in page 194 out of um, 202.

16 ISAAC LEFKOWITZ: 194?

17 ANDREW JIMENEZ, TRUSTEE: 194 of 202.

18 ISAAC LEFKOWITZ: Hang on a second.

19 ANDREW JIMENEZ, TRUSTEE: Okay. So, you see that the answer  
20 of -- in question 73 makes  
21 reference to a Schedule A/B, 73  
22 attachment. Do you see that?

23 ISAAC LEFKOWITZ: One second, my -- my computer  
24 froze, (MUMBLES). Just one  
25 second. (PAUSES). Okay, I got



1 it.

2 ANDREW JIMENEZ, TRUSTEE: Okay. So, you see that the answer

3 to question 73 makes reference to

4 an attachment, a Schedule A/B, 73

5 attachment. Um --

6 ISAAC LEFKOWITZ: Correct.

7 ANDREW JIMENEZ, TRUSTEE: -- so that attachment um, I

8 believe starts in page 198. And

9 let me know when you there.

10 ISAAC LEFKOWITZ: (CUTOUT) there.

11 ANDREW JIMENEZ, TRUSTEE: Okay. So, we have a spreadsheet

12 here and ah, it has ah, various

13 columns um, can you please explain

14 what is represented in -- under

15 the column titled, Per Claim SIR?

16 ISAAC LEFKOWITZ: SIR?

17 ANDREW JIMENEZ, TRUSTEE: Correct.

18 ISAAC LEFKOWITZ: Um, SIR is ah, is an insurance

19 lingo of Self-Insured Retention.

20 ANDREW JIMENEZ, TRUSTEE: Okay. So, what -- what -- what is

21 it -- what is represented under

22 that column?

23 ISAAC LEFKOWITZ: Um, --

24 RUSSELL PERRY: (STAMMERS) -- yeah, I'm sorry.

25 Mr. Jimenez, this is Russell

1 Perry. I ah, took a um, f --  
2 fairly ah, lead role in preparing  
3 this schedule. Um, if -- you  
4 know, if you allow -- I'm happy to  
5 answer your question that relates  
6 to this schedule.

7 ANDREW JIMENEZ, TRUSTEE: Sure. Let -- let's -- let's wait  
8 -- let's -- let Mr. Lefkowitz ah,  
9 answer that question, and then  
10 I'll move -- I'll -- I'll give you  
11 the opportunity.

12 RUSSELL PERRY: Sure.

13 ANDREW JIMENEZ, TRUSTEE: Okay.

14 RUSSELL PERRY: Sure.

15 ISAAC LEFKOWITZ: Mr. Jimenez, which column you're  
16 referring to?

17 ANDREW JIMENEZ, TRUSTEE: Um, the column titled --  
18 ISAAC LEFKOWITZ: Third Claim SIR?

19 ANDREW JIMENEZ, TRUSTEE: -- Third Claim SIR.

20 ISAAC LEFKOWITZ: Right. So, these are -- these are  
21 numbers that come off the policy.  
22 These are policy information.

23 ANDREW JIMENEZ, TRUSTEE: Okay. So, what -- what -- what  
24 does that mean, the Per Claim SIR?  
25 Well, what does that mean? Help

1 me understand that.

2 ISAAC LEFKOWITZ: Um, -- so for instance on the

3 first one, it says American

4 Fidelity.

5 ANDREW JIMENEZ, TRUSTEE: Okay.

6 ISAAC LEFKOWITZ: -- 375,000.

7 ANDREW JIMENEZ, TRUSTEE: Yes.

8 ISAAC LEFKOWITZ: So, the Self-Insured Retention

9 under that policy is 375,000. So

10 the, so, per claim, the exposure

11 is \$375,000. But there's a per

12 claim and then there's an

13 aggregate of the next column,

14 which is total per year.

15 ANDREW JIMENEZ, TRUSTEE: And -- and what is the aggregate

16 SIR represent?

17 ISAAC LEFKOWITZ: Total -- total on the annual

18 policy.

19 ANDREW JIMENEZ, TRUSTEE: Okay. Mr. --

20 ISAAC LEFKOWITZ: So --

21 ANDREW JIMENEZ, TRUSTEE: -- yeah, go ahead. Sorry, to

22 interrupt you.

23 ISAAC LEFKOWITZ: -- so, let's say on -- on -- on

24 the second line item, it says

25 aggregate and SIR 15 million, of

1 the first 15 million is from the  
2 policyholder. Every dollar above  
3 15, the insurance company  
4 (INAUDIBLE).

5 ANDREW JIMENEZ, TRUSTEE: Mr. Perry, is there anything you -  
6 - ah, you wish to add?

7 RUSSELL PERRY: No, no, that's ah, that's perfect.  
8 He ah, Mr. Lefkowitz explained the  
9 per claim SIR and the aggregate  
10 SIR correctly.

11 ANDREW JIMENEZ, TRUSTEE: Okay. So, if -- if I understood  
12 correctly, um, from that per claim  
13 SIR and I'm -- I'm going to use as  
14 an example um, applied Medical  
15 Legal Solutions Risk Retention  
16 Group ah, because that -- that  
17 policy has numbers under both  
18 columns, the per claim SIR and the  
19 aggregate SIR. So, if I  
20 understood correctly, if you get a  
21 claim under that policy for per  
22 claim SIR, the first million  
23 dollars comes out of the pocket of  
24 the debtor, and anything above 1  
25 million is paid by the insurance?

1 ISAAC LEFKOWITZ: That's correct.

2 ANDREW JIMENEZ, TRUSTEE: Okay. And then aggregate SIR ah,  
3 is the same concept only on the  
4 aggregate. So, it will be fifth -  
5 - anything above 15 million -- the  
6 first 15 million dollars are paid  
7 by the debtor and anything above  
8 that is paid by the insurance  
9 company; is that correct?

10 ISAAC LEFKOWITZ: Correct; perfect.

11 ANDREW JIMENEZ, TRUSTEE: Okay. Um, so are -- are you aware  
12 that the debtor recently filed a  
13 motion on Docket No. 802 for an  
14 Order Establishing Procedures for  
15 the resolution of certain claims  
16 that involve insurance policies of  
17 ah, Lone Star Alliance, Inc. ah,  
18 in Arizona? Um, are you aware of  
19 that motion?

20 ISAAC LEFKOWITZ: Right.

21 ANDREW JIMENEZ, TRUSTEE: Okay. So, if you -- if -- if --  
22 I'm still in Docket No. 810. If  
23 you go to page 200 and we're still  
24 in the same attachment for A/B 73.  
25 Ah, towards the second half of the

1 -- the bottom half of the -- of  
2 the page, there is a bunch of ah,  
3 insurance policies for Lone Star  
4 Alliance. So, my question is --  
5 ISAAC LEFKOWITZ: Right.

6 ANDREW JIMENEZ, TRUSTEE: -- are this insurance policies  
7 that are related to the motion in  
8 Docket No. 802 for the procedures  
9 for the resolution of certain  
10 claims?

11 ISAAC LEFKOWITZ: Yes, sir.

12 ANDREW JIMENEZ, TRUSTEE: Okay. So, if -- if we go to the  
13 first -- the -- the first  
14 insurance -- insurance policy for  
15 Lone Star Alliance. Um, and just  
16 -- just -- just to make sure that  
17 we're on the same page, ah, page  
18 200 and I'm referring to account  
19 No. 4-100092.

20 ISAAC LEFKOWITZ: Ah, Mr. Hernandez [SIC], I'm not  
21 sure that I'm fully ah,  
22 knowledgeable in all the details  
23 of these policies. What I do know  
24 is that we're in active mediation  
25 with these carriers from a

1 (INAUDIBLE), which is happening as  
2 we speak. So, I'm not sure that I  
3 can drill down on actual details  
4 of the schedule.

5 ANDREW JIMENEZ, TRUSTEE: Okay. But just -- just wait for  
6 my questions and then you can give  
7 me your answer.

8 ISAAC LEFKOWITZ: Sure.

9 ANDREW JIMENEZ, TRUSTEE: Okay. So, can you tell me -- and  
10 -- and, you know, let's use for  
11 example that first Lone Star  
12 Alliance ah, ah, policy. Ah, it -  
13 - under the column of Per Claim  
14 Limit, it states 1 million  
15 dollars. Um, what -- what does  
16 that mean?

17 ISAAC LEFKOWITZ: Pretty much what I said before.  
18 That under that policy, the per-  
19 claim limit is one million. So,  
20 Jane Doe files a claim or gets  
21 vindicated in trial on appeal  
22 (INAUDIBLE) 1.1 million, the first  
23 million is the debtor's  
24 responsibility and \$100,000 is  
25 Lone Star's (MUMBLES).

1 ANDREW JIMENEZ, TRUSTEE: Okay. And then, the aggregate  
2 limit is -- can you explain what  
3 is the aggregate limit? In this  
4 case, it's 22 million dollars.

5 ISAAC LEFKOWITZ: Total -- total aggregate per  
6 policy period. So, if we  
7 exhausted the 22 million dollars,  
8 um, I mean, (CUTTING OUT) kicks in  
9 by the insurance company.

10 ANDREW JIMENEZ, TRUSTEE: Okay. So, what would be the  
11 difference between the aggregate  
12 SIR and the -- and the aggregate  
13 limit? Under this policy ah, it's  
14 -- it's two different numbers.  
15 The aggregate SIR is 18 million  
16 and the aggregate limit is 22  
17 million. What is the difference  
18 between those two numbers?

19 ISAAC LEFKOWITZ: Um, I'm not certain, maybe Russell  
20 can jump in on that. It's --  
21 (CUTTING OUT) (MUMBLES).

22 ANDREW JIMENEZ, TRUSTEE: Okay. Mr. Perry? Do you know the  
23 answer?

24 RUSSELL PERRY: Sure, sure. Yeah. So, Mr.  
25 Jimenez, your question is -- so I



1 make sure I understand -- what's  
2 the difference between aggregate  
3 SIR and aggregate limit?

4 ANDREW JIMENEZ, TRUSTEE: Correct.

5 RUSSELL PERRY: To make sure I understand that --  
6 that's your question.

7 ANDREW JIMENEZ, TRUSTEE: Yes, correct.

8 RUSSELL PERRY: Okay. So, an aggregate SIR, okay,  
9 is the total Self-Insured  
10 Retention amount required to be  
11 paid before, okay, the policy  
12 reaches any type of -- a --  
13 ability to -- to make a payment,  
14 okay? Or to reach any of the  
15 insurance proceeds. If the SIR,  
16 the aggregate SIR, is otherwise  
17 satisfied for that specific policy  
18 and I don't know if you're --  
19 referencing, you know, one policy  
20 or just in general, but if an  
21 aggregate SIR is satisfied, then  
22 the aggregate limit comes into  
23 play, which means that is the  
24 total amount that the insurance  
25 carrier or the policy would

1 provide for on the payment of  
2 claims. So, it's a step-one,  
3 step-two type process. Step one,  
4 the aggregate SIR has to be  
5 satisfied, step two, the insurance  
6 proceeds are now available, and  
7 the total amount of proceeds are  
8 governed by the aggregate limit.

9 ANDREW JIMENEZ, TRUSTEE: Okay. So, and -- and following as  
10 an example that -- that Lone Star  
11 Alliance policy, it says that the  
12 aggregate limit is 22 million.

13 So, that's -- that's the --

14 RUSSELL PERRY: Uh-huh.

15 ANDREW JIMENEZ, TRUSTEE: -- total amount that the insurance  
16 policy will pay after the 18  
17 million aggregate SIR is  
18 satisfied.

19 RUSSELL PERRY: Ah, that is what the policy calls  
20 for, that is correct. That's not  
21 a reflection of what may be  
22 remaining or what the policy is  
23 today, but is what the face  
24 numbers on the policy represent;  
25 that is correct.

1     ANDREW JIMENEZ, TRUSTEE:            Okay. Um, and how does -- I'm  
2    trying to understand, how does  
3    that play in the -- the procedures  
4    for the resolution of certain  
5    claims, as -- as filed in Docket  
6    No. 802?

7     AARON KAUFMAN:                    So -- ah, Mr. Jimenez, this is  
8    Aaron Kaufman. I -- I want to  
9    avoid at this 341 Meeting getting  
10    into the -- the rush now behind  
11    this settlement motion that's  
12    pending. Ah, that's -- that's ah,  
13    a contested hearing that's ongoing  
14    before the Court. Ah, I'm not  
15    aware of any open objections.  
16    Still a lot of time for parties to  
17    reach out to us and we're hoping,  
18    we can resolve any objections.

19    ANDREW JIMENEZ, TRUSTEE:            Yeah, but that's -- that's --

20    AARON KAUFMAN:                    Ah, but ah, Mr. Lefkowitz at this  
21    point that this was actively  
22    negotiated in a -- in a  
23    confidential mediation. So, I  
24    wanna keep those discussions  
25    confidential.

1 ANDREW JIMENEZ, TRUSTEE: No. I understand that, but that's  
2 not -- that's not my question, Mr.  
3 Kaufman. So, what I'm trying to  
4 understand --

5 AARON KAUFMAN: Ah, -- a -- apologies. If -- if  
6 you wouldn't mind clarifying.

7 ANDREW JIMENEZ, TRUSTEE: -- sure. Ah, my question is how  
8 does -- how does these policies  
9 limits, you know, are going to --  
10 for example, okay? Let's -- let's  
11 take a step back. What is the  
12 limit that ah, is going to be  
13 available under that -- under  
14 those procedures? Should -- can -  
15 - can --

16 AARON KAUFMAN: Can you clarify which procedures  
17 you're talking about (INAUDIBLE)?

18 ANDREW JIMENEZ, TRUSTEE: Dock -- ah, for the motion on the  
19 Docket 802, which relates to the -  
20 - to the Lone Star Alliance ah,  
21 insurance policy.

22 AARON KAUFMAN: I -- I would -- I'm gonna ask that  
23 we move along and -- and focus on  
24 what's in the schedules and  
25 statements here, not in the

1 procedures --

2 ANDREW JIMENEZ, TRUSTEE: But --

3 AARON KAUFMAN: -- that are a separate motion.

4 ANDREW JIMENEZ, TRUSTEE: -- the -- my question is about the

5 schedules. We have here on the

6 schedules ah, the -- the Lone Star

7 Alliance and I'm trying to

8 understand what are the limits and

9 how -- how is this going to ah, be

10 used under those procedures.

11 RUSSELL PERRY: Yeah -- yeah, um, Mr. Jimenez,

12 this -- this is um, Russell Perry.

13 The policies in the -- the

14 underlying insurance policies

15 aren't being altered, aren't being

16 otherwise modified, they aren't

17 being otherwise divorced from the

18 numbers that were -- that we

19 provided for in the schedules,

20 'kay. The SIRs on a per claim

21 basis, on an aggregate basis, the

22 per claim limit or the aggregate

23 limits will all -- apply to the

24 procedures that are ah, you know,

25 filed within the motion that will

1 be in front of Judge Lopez in --  
2 in due time. So, there is no  
3 modification of the policy. The  
4 only thing that will be important  
5 for the procedures will be whether  
6 or not the SIRs have already been  
7 exhausted or there is a potential  
8 exhaustion that could occur and  
9 whether or not there is remaining  
10 amounts under the policy that  
11 would, of course, you know, ah,  
12 you know, max out at the aggregate  
13 limit. These are just numbers of  
14 the policies, which is what we  
15 were asked to schedule. We have  
16 substantially, you know, ah, you -  
17 - you know, a very comprehensive  
18 analysis that we've shared with,  
19 you know, most if not all the  
20 creditors that have requested it  
21 that provide for more substantial  
22 information with respect to what  
23 SIRs are remaining to be satisfied  
24 what are satisfied, and what  
25 limits are remaining under the

1 policies. So, you know, I don't -  
2 - I'm not telling you it's apples  
3 and oranges, but what was  
4 scheduled in here are the face  
5 value, the numbers on the policies  
6 what the -- ah, motion relates to  
7 is the current state of the  
8 insurance policy, and the  
9 procedures in which could be um,  
10 you know, implemented in order to  
11 potentially um, ah -- you know,  
12 ah, receive any recoveries under  
13 those policies. So, I -- I'm also  
14 not sure exactly what your  
15 question is, but the procedures  
16 are very clear, they lay out the  
17 claim's resolution procedures in  
18 paragraph nine of the motion that  
19 you're referring to. What's here  
20 in the schedules is just the face  
21 amount of those policies. So,  
22 there are certain policies that  
23 the motion relates to in this  
24 schedule by which these SIRs and  
25 aggregate limits, and per-claim

1 limits will continue to relate to.  
2 It's just a matter of what the  
3 value of the policy is and what  
4 are the procedures in order to get  
5 to those.

6 ANDREW JIMENEZ, TRUSTEE: Okay. To the extent that the  
7 debtor is required to ah, come up  
8 with a payment for the SIR, how  
9 will the -- how will the debtor  
10 pay for that?

11 RUSSELL PERRY: That hasn't been determined.

12 ANDREW JIMENEZ, TRUSTEE: Have you explored possibilities of  
13 how -- how to fund those SIRs?

14 AARON KAUFMAN: Mr. Jimenez, you're going beyond  
15 what's in the schedules here. Can  
16 you just focus on what's in the  
17 schedules?

18 ANDREW JIMENEZ, TRUSTEE: Mr. Lefkowitz, ah, -- Mr. Russell,  
19 ah, Mr. Perry, do you have an  
20 answer?

21 RUSSELL PERRY: Yeah. I -- there -- there have  
22 been discussions around potential  
23 ways in which to satisfy SIRs.  
24 Most of those discussions occurred  
25 under a confidential manner with



1 Judge Jones in mediation. So, I -  
2 - I'm not sure I have the liberty  
3 to answer that. But if you're  
4 asking if we have had any  
5 conversations amongst the debtor  
6 team and the mediator with respect  
7 to a potential path to satisfy  
8 SIRs, yes, discussions have  
9 certainly occurred.

10 ANDREW JIMENEZ, TRUSTEE: Okay. Mr. Lefkowitz, I'm going to  
11 ask you questions about the  
12 amended state -- Statement of  
13 Financial Affairs on Docket No.  
14 811. Um, let me know when you  
15 have the document in front of you.

16 ISAAC LEFKOWITZ: Yes.

17 ANDREW JIMENEZ, TRUSTEE: Okay. So, I'm going to if you --  
18 if you go to page 191 of two -- of  
19 225.

20 ISAAC LEFKOWITZ: Say that again, one what?

21 ANDREW JIMENEZ, TRUSTEE: 191 of 225.

22 ISAAC LEFKOWITZ: (MUMBLES). Yes.

23 ANDREW JIMENEZ, TRUSTEE: Okay. So here, you -- ah, the  
24 debtor changed the answer to the  
25 question on -- on question No. 13.

1 And the answer provides makes a  
2 reference to a SOFA 13 attachment.  
3 ISAAC LEFKOWITZ: Right.  
4 ANDREW JIMENEZ, TRUSTEE: Okay. So, let's go to that  
5 attachment, I think that  
6 attachment starts at page 220 of  
7 225.  
8 ISAAC LEFKOWITZ: Yeah, I got it.  
9 ANDREW JIMENEZ, TRUSTEE: Okay. So ah -- question 13 ask  
10 about transfers not already listed  
11 on -- on -- on this statement.  
12 And here we have a list of -- of  
13 transfers. So, let's start with  
14 ah, can you please tell me what is  
15 ah, AmerisourceBergen?  
16 ISAAC LEFKOWITZ: AmerisourceBergen.  
17 AmerisourceBergen is ah, one of  
18 the largest, ah, pharmaceutical  
19 wholesalers in the country.  
20 ANDREW JIMENEZ, TRUSTEE: What -- those transfers, what was  
21 the purpose of those transfers to  
22 AmerisourceBergen?  
23 ISAAC LEFKOWITZ: Those were ah, invoices that the  
24 debtor incurred or -- out the a,  
25 Michigan contract for

1 pharmaceuticals for inmates.

2 ANDREW JIMENEZ, TRUSTEE: And the relationship with ah,

3 AmerisourceBergen is -- is ah,

4 identified as a vendor. Um,

5 that's the only connection or

6 relationship ah, ah, with the

7 debtor?

8 ISAAC LEFKOWITZ: Correct.

9 ANDREW JIMENEZ, TRUSTEE: Do -- do you ah, individually, do

10 you have any connection with or

11 relationship with

12 AmerisourceBergen?

13 ISAAC LEFKOWITZ: No.

14 AARON KAUFMAN: Mr. Jimenez, this Aaron Kaufman.

15 Can -- you just clarify what you

16 mean by relationship with

17 AmerisourceBergen --

18 ANDREW JIMENEZ, TRUSTEE: Yes. And then --

19 AARON KAUFMAN: -- then we might --

20 ANDREW JIMENEZ, TRUSTEE: -- for example --

21 AARON KAUFMAN: -- um, an ownership interest or --

22 ANDREW JIMENEZ, TRUSTEE: -- have -- have -- have you been

23 an officer or director or

24 shareholder or an employee of

25 AmerisourceBergen?

1 ISAAC LEFKOWITZ: No.

2 ANDREW JIMENEZ, TRUSTEE: And have you had any --

3 ISAAC LEFKOWITZ: AmerisourceBer --

4 ANDREW JIMENEZ, TRUSTEE: Go ahead; I'm sorry.

5 ISAAC LEFKOWITZ: Amerisource -- AmerisourceBergen

6 is a public company known as ABC.

7 ANDREW JIMENEZ, TRUSTEE: And of those connections that, you

8 know, those --- those examples

9 that I -- ex -- just described to

10 you of officer, director,

11 shareholder, employee, manager,

12 have you -- have you had any of

13 those connections with Amerisource

14 in the past?

15 ISAAC LEFKOWITZ: None.

16 ANDREW JIMENEZ, TRUSTEE: Okay. Um, can you tell us um,

17 what is DG Realty?

18 ISAAC LEFKOWITZ: DG Realty is ah, a company ah,

19 that is related same principals

20 (INAUDIBLE) DG Realty are

21 principals of grandfather

22 companies of the debtor.

23 ANDREW JIMENEZ, TRUSTEE: Okay. So, I guess, that -- that

24 answer -- my next question was um,

25 DG Realty is identified as an

1 affiliate of the debtor and I  
2 wanted you to explain what is the  
3 connection between DG Realty and  
4 the debtor.

5 ISAAC LEFKOWITZ: So, the prince -- principals, who  
6 own DG Realty also are equity  
7 owners of entities that are equity  
8 holders of the debtor.

9 ANDREW JIMENEZ, TRUSTEE: Can you ah -- what are those --  
10 what are those entities that DG  
11 Realty has an equity interest that  
12 in turn are equity owners of the  
13 debtor?

14 ISAAC LEFKOWITZ: Oh, you misunderstand -- stood me,  
15 ah, Mr. Hernandez [SIC]. So, DG  
16 Realty is not an equity owner of  
17 any entity of the debtor. I'm  
18 saying we call it affiliate  
19 because some of the same  
20 principals are members of the same  
21 entity.

22 ANDREW JIMENEZ, TRUSTEE: Okay. Um, -- okay. I thought  
23 you said a moment ago that DG  
24 Realty had equity interest in  
25 other entities that in turn were -

1 -- had equity interest on the  
2 debtor.

3 ISAAC LEFKOWITZ: That's not correct.

4 ANDREW JIMENEZ, TRUSTEE: What were um, this transfer to DG  
5 Realty; what was the purpose of  
6 those transfers?

7 ISAAC LEFKOWITZ: So, DG Realty made a 7 1/2 million  
8 dollar loan to the debtor, and the  
9 debtor paid it back.

10 ANDREW JIMENEZ, TRUSTEE: When was that loan made to the  
11 debtor?

12 ISAAC LEFKOWITZ: On the same day.

13 ANDREW JIMENEZ, TRUSTEE: On -- what -- what same date are  
14 you referring to?

15 ISAAC LEFKOWITZ: 12-27-21.

16 ANDREW JIMENEZ, TRUSTEE: So, you're saying that DG Realty  
17 loan on -- on -- on December 27,  
18 20 -- 2021 loaned 7 -- \$7,500,000  
19 to the debtor and the debtor  
20 repaid on the same date?

21 ISAAC LEFKOWITZ: Correct.

22 ANDREW JIMENEZ, TRUSTEE: And what was the purpose of that  
23 loan?

24 ISAAC LEFKOWITZ: (INAUDIBLE) -- the debtor at that  
25 point was named Corizon um, they

were gonna use it as a bond  
collateral for some contracting.  
But then it all got (INAUDIBLE)  
and they sent the money back.

ANDREW JIMENEZ, TRUSTEE: Mr. Lefkowitz, are you an officer, director, manager, shareholder, or shareholder of DG Realty?

ISAAC LEFKOWITZ: No.

ANDREW JIMENEZ, TRUSTEE: Have you had any of those connections in the past?

ISAAC LEFKOWITZ: No.

ANDREW JIMENEZ, TRUSTEE: Do you have any -- any other kind of connection or relationship with DG Realty?

ISAAC LEFKOWITZ: I know the folks from DG Realty.

ANDREW JIMENEZ, TRUSTEE: And do you have any relationship with the folks from DG Realty?

ISAAC LEFKOWITZ: (INAUDIBLE) enough that ah, we needed \$7,500,000 for collateral to pick up a phone and get the loan done. But then once we decided we don't need it, we returned the money.

ANDREW JIMENEZ, TRUSTEE: In the -- in the -- in this list,  
you also, the debtor also

1 disclosed ah, transfers to  
2 Perigrove. What is Perigrove?  
3 ISAAC LEFKOWITZ: Perigrove is the same -- same  
4 case, the principals of Perigrove  
5 have an equity interest in  
6 entities that ultimately own the  
7 debtor. And this too, was a loan  
8 to the debtor; this is a payment  
9 back.  
10 ANDREW JIMENEZ, TRUSTEE: What was -- what was that loan  
11 used for?  
12 ISAAC LEFKOWITZ: Ah, cash operations. To float  
13 their cash.  
14 ANDREW JIMENEZ, TRUSTEE: Can you please repeat that?  
15 ISAAC LEFKOWITZ: The debtor needed cash to float  
16 their cash flow. The Perigrove  
17 loaned them money and the Per --  
18 and the debtor paid it back.  
19 Twice, once for 5 million and once  
20 for 1 million.  
21 ANDREW JIMENEZ, TRUSTEE: Do you have any relationship or  
22 connection with Perigrove?  
23 ISAAC LEFKOWITZ: I'm a director of Perigrove.  
24 ANDREW JIMENEZ, TRUSTEE: Since when?  
25 ISAAC LEFKOWITZ: I don't know the exact date, but -



1 - the last few years.

2 ANDREW JIMENEZ, TRUSTEE: When you say last few years, what

3 -- what does that mean? 2020?

4 2021?

5 ISAAC LEFKOWITZ: Mm -- right about 2019, 2020;

6 correct.

7 ANDREW JIMENEZ, TRUSTEE: In this -- in this attachment um,

8 the debtor also list Pharmacorr as

9 an affiliate. What is Pharmacorr,

10 LLC?

11 ISAAC LEFKOWITZ: Pharmacorr is ah, (INAUDIBLE)

12 pharmacy that provides

13 pharmaceuticals, prescription

14 pharmaceuticals to incarcerated

15 inmates.

16 ANDREW JIMENEZ, TRUSTEE: And can you explain the

17 relationship with the debtor of

18 Pharmacorr with the debtor?

19 ISAAC LEFKOWITZ: It's a vendor. Pharmacorr is a

20 vendor to the debtor.

21 ANDREW JIMENEZ, TRUSTEE: Pharmacorr is not an affiliate of

22 the debtor?

23 ISAAC LEFKOWITZ: It is an affiliate, but also a

24 vendor.

25 ANDREW JIMENEZ, TRUSTEE: Okay.

1 ISAAC LEFKOWITZ: Pharmacorr sells to the debtor,  
2 pharmaceuticals.

3 ANDREW JIMENEZ, TRUSTEE: Okay. Explain to me how  
4 Pharmacorr is an affiliate of the  
5 debtor.

6 ISAAC LEFKOWITZ: Principals and the Pharmacorr may  
7 also have an equity position in  
8 the entities that ultimately are  
9 equity holders in the debtor.

10 ANDREW JIMENEZ, TRUSTEE: Can you please name the principals  
11 that have an equity ah, interest  
12 on the debtor?

13 ISAAC LEFKOWITZ: The principals in which entity?

14 ANDREW JIMENEZ, TRUSTEE: Pharmacorr.

15 ISAAC LEFKOWITZ: Ah, Abraham Goldberger and David  
16 Gefner.

17 ANDREW JIMENEZ, TRUSTEE: Abraham, what is -- Abraham's last  
18 name?

19 ISAAC LEFKOWITZ: Gold -- Goldberger.

20 ANDREW JIMENEZ, TRUSTEE: And then the other individual you  
21 name was David?

22 ISAAC LEFKOWITZ: David Gefner.

23 ANDREW JIMENEZ, TRUSTEE: What are the names of the  
24 principals in Perigrove that have  
25 an equity interest on the debtor?

1 ISAAC LEFKOWITZ: Same individuals.

2 ANDREW JIMENEZ, TRUSTEE: Abraham Goldberger and David

3 Gefner?

4 ISAAC LEFKOWITZ: Correct. They don't have equity

5 in the debtor, they have equity in

6 -- entities, which ultimately

7 these entities are equity holders

8 in the debtor.

9 ANDREW JIMENEZ, TRUSTEE: 'Kay. What are the name of the

10 principals of the DG Realty that

11 have equity interest on entities

12 that own the debtor?

13 ISAAC LEFKOWITZ: Same individuals.

14 ANDREW JIMENEZ, TRUSTEE: Abraham Goldberger and David

15 Gefner?

16 ISAAC LEFKOWITZ: Right.

17 ANDREW JIMENEZ, TRUSTEE: And then you also list ah, M2

18 LoanCo ah, and buyers transfers to

19 M2 LoanCo. Ah, what was -- what

20 were the -- the -- what was the

21 purpose of those transfers to M2

22 LoanCo?

23 ISAAC LEFKOWITZ: M2 LoanCo is a secured lender to

24 the debtor. Or was a secured

25 lender to the debtor.

1 ANDREW JIMENEZ, TRUSTEE: Um, before -- let me go back ah,  
2 one moment. Are you -- we're  
3 going back to Pharmacorr. Are you  
4 an officer, director, manager,  
5 shareholder of Pharmacorr?

6 ISAAC LEFKOWITZ: I'm a director.

7 ANDREW JIMENEZ, TRUSTEE: Since when?

8 ISAAC LEFKOWITZ: Since ah, December of '21.

9 ANDREW JIMENEZ, TRUSTEE: So, going back to M2 LoanCo, um,  
10 those transfers -- so -- those  
11 transfers, what was the purpose of  
12 those transfers? Was it to ah,  
13 repay a loan?

14 ISAAC LEFKOWITZ: Some of it was repayment, some of  
15 it was -- was interest payments,  
16 some of it were fees. I don't  
17 have the details in front of me.  
18 But it was all related to the  
19 loan.

20 ANDREW JIMENEZ, TRUSTEE: And what were those loans used  
21 for?

22 ISAAC LEFKOWITZ: For the cash operations for the  
23 debtor.

24 ANDREW JIMENEZ, TRUSTEE: And you are a director of M2  
25 LoanCo; correct?

1 ISAAC LEFKOWITZ: Correct.

2 ANDREW JIMENEZ, TRUSTEE: Since when?

3 ISAAC LEFKOWITZ: Since um, (INAUDIBLE) '21.

4 ANDREW JIMENEZ, TRUSTEE: I didn't hear you, could you  
5 please repeat that?

6 ISAAC LEFKOWITZ: December of 2021.

7 ANDREW JIMENEZ, TRUSTEE: Mr. Lefkowitz, why -- why didn't  
8 debtor disclose these transfers --  
9 earlier?

10 ISAAC LEFKOWITZ: I don't know the answer, you know.  
11 We're -- we were pumping  
12 information from all different  
13 directions. And, you know, as the  
14 information came in, we amended  
15 the schedules.

16 ANDREW JIMENEZ, TRUSTEE: In a previous 341 Meeting, you  
17 were asked about Perigrove  
18 relationship with the debtor, and  
19 you answered that there was no  
20 relationship with the debtor.

21 ISAAC LEFKOWITZ: There is no relationship with the  
22 debtor.

23 ANDREW JIMENEZ, TRUSTEE: Both (CROSSTALK) --

24 ISAAC LEFKOWITZ: The only relationship there is --

25 ANDREW JIMENEZ, TRUSTEE: -- didn't we just discuss that ah,

1 Perigrove is an affiliate of the  
2 debtor?  
3 ISAAC LEFKOWITZ: We call it an affiliate, but it's  
4 not an --- you're not a real  
5 affiliate because Perigrove  
6 doesn't own anything --  
7 (INAUDIBLE) debtor owns, it's just  
8 ultimately that a principals are  
9 ah, some of them are same  
10 principals and they made a loan to  
11 the debtor, and that's why we  
12 amended the schedule and we  
13 disclosed it now. But they're  
14 really not an ongoing affiliate.  
15 ANDREW JIMENEZ, TRUSTEE: In a previous meeting of  
16 creditors, you were asked if ah,  
17 there were any transfers, ah, to  
18 Perigrove. And you answered that  
19 there were none. Why did you give  
20 that answer then?  
21 ISAAC LEFKOWITZ: (CROSSTALK) -- because there is  
22 two different Perigroves. There  
23 is a Perigrove that owns the  
24 equity in the debtor, and there is  
25 a Perigrove that just was a

1 lender. There's two different  
2 entities. So, in the previous  
3 meeting, we were discussing the  
4 entity that owns the equity  
5 whether there were any transfers.  
6 And the answer was none. But then  
7 there's another Perigrove that  
8 acted as a lender, so we amended  
9 the schedule right now.

10 ANDREW JIMENEZ, TRUSTEE: So, how do you distinguish the two  
11 Perigroves?

12 ISAAC LEFKOWITZ: Beg your pardon?

13 ANDREW JIMENEZ, TRUSTEE: How do you distinguish one --

14 ISAAC LEFKOWITZ: (CROSSTALK) --

15 ANDREW JIMENEZ, TRUSTEE: -- how do you distinguish one  
16 Perigrove from the other  
17 Perigrove?

18 ISAAC LEFKOWITZ: Ah, the other Perigrove in the  
19 previous meeting was called  
20 Perigrove 1018 and this is called  
21 just Perigrove.

22 ANDREW JIMENEZ, TRUSTEE: At this time, I'm going to um,  
23 allow creditors ah, to ask  
24 questions. I'll start with Mr.  
25 ah, Ian Cross. Do you have any

1 questions for the debtor?

2 IAN CROSS: (NO VERBAL RESPONSE HEARD).

3 ANDREW JIMENEZ, TRUSTEE: Mr. Cross are you on the call?

4 IAN CROSS: Yes, I am. Sorry, I was muted.

5 ANDREW JIMENEZ, TRUSTEE: Go ahead, Mr. Cross. Do you have

6 any questions for the debtor?

7 IAN CROSS: So, ah, (CROSSTALK) -- did DG

8 Realty refer to DG Realty

9 Management, LLC under the limited

10 liability company?

11 ISAAC LEFKOWITZ: Right.

12 IAN CROSS: And that entity has two members,

13 who are --

14 ANDREW JIMENEZ, TRUSTEE: Mr. -- Mr. -- Mr. Cross?

15 IAN CROSS: -- David Gefner and Abraham

16 Goldberger?

17 ANDREW JIMENEZ, TRUSTEE: Mr. Cross? I'm sorry to

18 interrupt. Ah, I -- I -- I think

19 -- I -- I hear you ah, very far.

20 I don't know if -- if you have a -

21 - you're using the speaker phone,

22 but to the extent that you could

23 bring the phone closer to you or

24 use a headset, that might help,

25 ah, improve the -- the quality of



1 the sound.

2 IAN CROSS: Okay. How's that?

3 ANDREW JIMENEZ, TRUSTEE: Okay, a little better. Go ahead.

4 Thank you.

5 IAN CROSS: Okay. Um, so, I see at the bottom

6 of the Attachment 13, there's a

7 note that says, "During the time

8 period, these affiliate transfers

9 were made. Debtor also received

10 \$23,800,000 from these parties".

11 Does that figure include the 7.5

12 million loan that DG Realty

13 Management, LLC made to the debtor

14 on 12/27/21?

15 ISAAC LEFKOWITZ: Yes.

16 IAN CROSS: Does that figure include --

17 AARON KAUFMAN: Hold -- hold -- hold on, hold on.

18 This -- this is Aaron Kaufman. I

19 -- I wanna clarify something, Mr.

20 Cross. When you say "include",

21 are you -- are you -- can you

22 clarify that, 'cause I -- I'm not

23 sure the question or the answer is

24 clear.

25 IAN CROSS: So, we have a note that says

1 during the time period, these  
2 affiliate's transfers were made,  
3 the debtor also received  
4 \$23,800,000 from these parties.  
5 And I'm asking if that \$23,800,000  
6 figure include the 7.5 million  
7 loan that Mr. Lefkowitz testified  
8 DG Reality made to the debtor on  
9 12/27/21.

10 AARON KAUFMAN: Right. So, you're -- you're  
11 question -- just if I'm  
12 understanding what you're asking  
13 is are you asking if the 7 1/2  
14 million is on top of the 23.8  
15 million that was received by the  
16 debtor or ah, or are you asking  
17 what -- what exactly are you  
18 asking? (STAMMERS) -- I -- I can  
19 kind of tell you --

20 IAN CROSS: I'm asking --

21 AARON KAUFMAN: -- the -- the creditors --

22 IAN CROSS: -- if in the 23. --

23 AARON KAUFMAN: -- (CROSSTALK) the debits or  
24 (INAUDIBLE).

25 ANDREW JIMENEZ, TRUSTEE: Miss -- m -- Mr. Kaufman, this is

1 Andrew Jimenez. I think the  
2 question was clear was whether the  
3 7.5 is included in the 23,800,000.  
4 And please --

5 AARON KAUFMAN: Well, it's not clear. Because --  
6 what -- what's above the line are  
7 transfers out transfers in are not  
8 (CROSSTALK) --

9 ANDREW JIMENEZ, TRUSTEE: Mr. -- Mr. Kaufman, then do -- you  
10 need to let the witness answer the  
11 question. Because those are the  
12 notes in this schedules. And he --

13 AARON KAUFMAN: (CROSSTALK) --

14 ANDREW JIMENEZ, TRUSTEE: -- and -- and the question is  
15 being asked to clarify what --  
16 what does that note mean; let the  
17 witness answer, please.

18 ISAAC LEFKOWITZ: So, we have a schedule here of  
19 outgoing money from the debtor to  
20 various affiliates with no total.  
21 Then there is a note that these  
22 affiliates also transferred in to  
23 the debtor a total of 23,800,000  
24 dollars.

25 IAN CROSS: I understand that. I'm asking if

1 the \$23,800,000 figure includes  
2 the 7.5-million-dollar loan that  
3 you testified DG Realty made to  
4 the debtor on 12/27/21.

5 ISAAC LEFKOWITZ: I believe so.

6 IAN CROSS: Okay. Does the \$23,800,000 figure  
7 includes amounts funded to the  
8 debtor by M2 LoanCo under the  
9 funding agreement?

10 ISAAC LEFKOWITZ: Believe so. Oh, under the funding  
11 agreement?

12 IAN CROSS: Yeah.

13 ISAAC LEFKOWITZ: No.

14 IAN CROSS: Does it include amounts --

15 ISAAC LEFKOWITZ: Under the fund --

16 IAN CROSS: -- advanced to the debtor a  
17 unsecured creditor in excess of  
18 funding agreement after the date  
19 of the divisional merger?

20 ISAAC LEFKOWITZ: I don't have that information in  
21 front of me, I don't have the  
22 schedule of the 23,800 in front of  
23 me with the date and sources. So,  
24 I can't respond to it.

25 IAN CROSS: Well -- when the debtor made these

1 payments to M2 LoanCo, did the  
2 payments go through Cortland  
3 Capital Market Services?  
4 ISAAC LEFKOWITZ: Don't know.  
5 IAN CROSS: You don't know?  
6 ISAAC LEFKOWITZ: I don't know sitting here to see  
7 how the funds went.  
8 IAN CROSS: Did the debtor receive credits for  
9 this loan balance with M2 LoanCo  
10 when it made these payments?  
11 ISAAC LEFKOWITZ: If it was made as a loan payment.  
12 But not all of it is loan payment.  
13 IAN CROSS: Oh -- which ones are loan  
14 payments?  
15 ISAAC LEFKOWITZ: I don't know. I don't have the  
16 details --  
17 IAN CROSS: What other kinds of payments would  
18 the debtor be making to M2 LoanCo?  
19 ISAAC LEFKOWITZ: Interest payments, penalty  
20 payments, extension fee payments.  
21 Renewal payments. Could be many  
22 different things.  
23 IAN CROSS: All right. Let's take for example  
24 the 1-million-dollar payment from  
25 05/17/22. What was that for?

1 ISAAC LEFKOWITZ: (CROSSTALK) -- I don't know the  
2 detail behind it.

3 IAN CROSS: Do you know the detail behind the  
4 03/08/22 payment for 10 million  
5 dollars?

6 ISAAC LEFKOWITZ: I don't know the detail of any on  
7 this list to M2 LoanCo to be able  
8 to tell you here. I don't have  
9 the -- the backup details here.

10 IAN CROSS: Now -- in the divisional merger,  
11 was the debtor relieved of some  
12 secured debt owed to M2 LoanCo?

13 ISAAC LEFKOWITZ: (INAUDIBLE) when?

14 IAN CROSS: Was the debtor relieved of some  
15 secured debt to M2 LoanCo in the  
16 divisional merger?

17 ISAAC LEFKOWITZ: Yes.

18 IAN CROSS: What was the balance of the  
19 secured debt that the debtor was  
20 relieved of on that date?

21 ISAAC LEFKOWITZ: I don't know the exact number  
22 (NOSIEY BACKGROUND) but it was  
23 approximately (INAUDIBLE).

24 IAN CROSS: Were you on the board of the  
25 debtor in February of 2022?

1 ISAAC LEFKOWITZ: Yes.

2 IAN CROSS: And was there a presentation made

3 to the board of the debtor on

4 February 23rd, 2022 by FTI?

5 ISAAC LEFKOWITZ: By who?

6 IAN CROSS: FTI Consultants. (CROSSTALK) --

7 ISAAC LEFKOWITZ: I know FTI --

8 AARON KAUFMAN: Mr. Cross, this is Aaron Kaufman.

9 Ah, this is Aaron Kaufman. I'm

10 interjecting just because you're

11 going well beyond what's in the

12 schedules, beyond the schedules

13 and surface (INAUDIBLE). Yeah, if

14 you have additional questions here

15 about these transfers, go ahead

16 and ask 'em, I think they mostly

17 been asked. But if you wanna ask

18 --

19 IAN CROSS: I agree. This relates to the --

20 AARON KAUFMAN: -- if you take discovery --

21 IAN CROSS: -- 03/08/22 (CROSSTALK).

22 AARON KAUFMAN: -- see the (CROSSTALK) separately.

23 Hold on, I think we talked over

24 each other. If you wanna take

25 additional discovery beyond the

1 scope of what's in this list,  
2 let's -- let's discuss that off --  
3 off -- offline and ah, and if you  
4 wanna (INAUDIBLE) some additional  
5 discovery we can do that. I know  
6 you have a pending trust in  
7 motion, and -- and so this isn't  
8 the appropriate venue for taking  
9 discovery for that motion, we can  
10 do that separately.

11 IAN CROSS:

Well, this -- this line of  
12 questioning relates to the 3-8-22  
13 transfer and I'm trying to  
14 understand whether that transfer  
15 reduced the loan balance.

16 AARON KAUFMAN:

Well, ask that question.

17 IAN CROSS:

So, I understand Mr. Lefkowitz  
18 that there was a presentation made  
19 to the Corizon board of directors  
20 on 02/23/22 of which FTI  
21 represented that the loan balance  
22 owed to M2 LoanCo was 97.8 million  
23 dollars. Did that occur?

24 ISAAC LEFKOWITZ:

Where is this ah, presentation  
25 mentioned in those documents?



1 IAN CROSS: I'm asking you if it happened.

2 'Cause you said you are on the  
3 board at that time.

4 ISAAC LEFKOWITZ: But I thought we're dealing with  
5 the document here? So, if you're  
6 referring to something, show me to  
7 which page number, so I can refer  
8 to it -- you're giving me dates  
9 and places and times and people;  
10 what are you referring to?

11 IAN CROSS: I'm trying to figure out if the  
12 loan balance went down by 10  
13 million, as a result of the (NOISY  
14 BACKGROUND) 03/08/22 payment from  
15 the debtor to M2 LoanCo.

16 ISAAC LEFKOWITZ: I told you that I don't have the  
17 underlying details in front of me  
18 behind it. This is a schedule, an  
19 amended schedule with a list of  
20 affiliate payments. Anything  
21 that's -- in the detail of it, I  
22 don't have in front of me, unless  
23 you can show me in the document  
24 where it says.

25 IAN CROSS: The members of -- Perigrove, LLC,

were they ah, -- directed of the  
debtor on 04/12/22?

AARON KAUFMAN:

Ah, again, Mr. Cross, Mr. Jimenez has already explored a lot of this and -- and I -- I gave him a lot of leeway. You have a trustee motion that's pending. There's a contested matter that's pending. This is not the appropriate venue to take discovery on that motion. This is the appropriate time to ask questions about what's on the schedule in SOFA. If you have questions beyond that, let's talk offline and we can discuss some ah, some separate deposition dates.

IAN CROSS:

All right. We'll talk  
(INAUDIBLE).

ANDREW JIMENEZ, TRUSTEE:

Mr. Cross do you have additional -

-

IAN CROSS:

Okay. I don't have further.

ANDREW JIMENEZ, TRUSTEE:

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-- do -- do you have additional
questions?
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IAN CROSS:

I don't have none at this time.

1     ANDREW JIMENEZ, TRUSTEE:           Thank you, Mr. Cross. Ah, Mr.  
2   Zluticky for the Unsecure ah,  
3   Creditors Committee, do you have  
4   any questions for the debtor?  
5     NICK ZLUTICKY:                    I do, thank you. Ah, Mr.  
6   Lefkowitz, my name is Nick  
7   Zluticky, I represent the Official  
8   Committee of Unsecured Creditors  
9   um, in this bankruptcy case. Um,  
10    I have some questions on  
11    Attachment 13. So, I think that's  
12    the -- the page that Mr. Cross is  
13    focusing on, as well. It's page  
14    220 of 225, for the Amended  
15    Statement of Financial Affairs.  
16    Can you please let me know when  
17    you arrived at that page?  
18     ISAAC LEFKOWITZ:                  I am.  
19     NICK ZLUTICKY:                    So -- DG Realty Management, LLC  
20    loaned the debtor 7 1/2 million  
21    dollars on 12/27/2021; is that  
22    right?  
23     ISAAC LEFKOWITZ:                  Right.  
24     NICK ZLUTICKY:                    And into what bank account was  
25    that money deposited?

1 ISAAC LEFKOWITZ: I don't have the details in front  
2 of me.

3 NICK ZLUTICKY: Okay. Well, I'm gonna ask you to  
4 get them and produce them. Um, --

5 ISAAC LEFKOWITZ: Okay.

6 NICK ZLUTICKY: -- so, the debtor um, -- so, this  
7 was pre-combination merger. What  
8 entity received the money for DG  
9 Realty Management, LLC?

10 ISAAC LEFKOWITZ: The debtor.

11 NICK ZLUTICKY: Okay. So, just so we understand  
12 each other, when we say -- when  
13 you say the "debtor", are you  
14 referring to Tehum Care Services,  
15 Inc. formally known as Corizon  
16 Health, Inc.?

17 ISAAC LEFKOWITZ: Corizon. At that time, it was not  
18 Tehum; at that time, it was  
19 Corizon.

20 NICK ZLUTICKY: But you're aware that in 2022,  
21 there was a divisional merger that  
22 created two separate entities:  
23 Corizon Health, Inc. and CHSTX,  
24 Inc.; is that correct?

25 ISAAC LEFKOWITZ: It is.

1 NICK ZLUTICKY: Okay. And you're aware that prior  
2 to the divisional merger, there  
3 was a combination merger under  
4 which several Corizon entities  
5 were -- combined and merged into a  
6 single entity that was known as  
7 Corizon Health, Inc.; correct?

8 ISAAC LEFKOWITZ: Correct. But I believe we went  
9 through this in the previous  
10 meeting, so, we're basically  
11 repeating ourselves from the  
12 previous meeting, but go ahead.

13 NICK ZLUTICKY: And so, which entity did DG Realty  
14 Management, LLC loan the 7 1/2  
15 million dollars to on December 27,  
16 2021?

17 ISAAC LEFKOWITZ: You'll get the same answer Nick.  
18 We have a schedule here that we  
19 compiled based on underlying  
20 information. I don't have  
21 information in front of me of  
22 which entity sent to which entity.  
23 We know that DG Realty, and we  
24 have the backup paperwork sent  
25 money 7 1/2 million dollars on

1 December 27th, to the debtor and  
2 they received it back.

3 NICK ZLUTICKY: Well, I -- I think my confusion is  
4 that um, the purpose of the 341  
5 Meeting is to um, address the  
6 amendments to the schedules of  
7 Statement of Financial Affairs.  
8 But what it sounds like I'm  
9 hearing is you don't have any  
10 additional information for the,  
11 (INAUDIBLE) 16 transfers on  
12 Attachment 13; is that right?

13 ISAAC LEFKOWITZ: No, that's not right.

14 NICK ZLUTICKY: Okay.

15 ISAAC LEFKOWITZ: Because we provided -- we provided  
16 you the information amongst the  
17 hundreds of thousands of documents  
18 that you received, you also  
19 received the bank statements. So,  
20 you probably information on your  
21 desk, I don't. I just have the  
22 schedules here. And I know what  
23 it's about. But I don't have the  
24 underlying details. But you have  
25 all that information and you know

1 the ends and outs and where it  
2 came from and where it went. So,  
3 I'm not trying to say that I don't  
4 have the information, I don't have  
5 the information in front of me.  
6 But the information was given to  
7 you and you have it.

8 NICK ZLUTICKY: Was there a written loan agreement  
9 between DG Realty Management, LLC  
10 and whichever Corizon entity  
11 borrowed the money?

12 ISAAC LEFKOWITZ: I'm not aware of it.

13 NICK ZLUTICKY: Were there any other times that  
14 you can recall where DG Realty  
15 Management, LLC loaned money to  
16 Corizon entity?

17 ISAAC LEFKOWITZ: Whatever is on the schedule.

18 NICK ZLUTICKY: I'm asking other than what's in  
19 the Statement of Financial Affairs  
20 Attachment 13. Is there any other  
21 transfer --

22 ISAAC LEFKOWITZ: I was (CROSSTALK) --

23 NICK ZLUTICKY: -- DG Realty, LLC? DG Realty  
24 Management -- I think the best way  
25 to do this --

1 ISAAC LEFKOWITZ: (CROSSTALK) --

2 NICK ZLUTICKY: -- is for me to finish my question

3 and then I will be quiet, and you

4 can answer.

5 ISAAC LEFKOWITZ: Well, I think -- I think -- I

6 think the best way to do it is, is

7 to not to repeat the same

8 questions that the Trustee asked

9 me.

10 ANDREW JIMENEZ, TRUSTEE: Mr. -- Mr. Lefkowitz --

11 ISAAC LEFKOWITZ: (CROSSTALK) --. Mr. -- Mr.

12 Jimenez asked me --

13 ANDREW JIMENEZ, TRUSTEE: -- Mr. Lefkowitz --

14 ISAAC LEFKOWITZ: -- Mr. Hernandez [SIC] asked me --

15 ANDREW JIMENEZ, TRUSTEE: -- hold on -- hold on a moment --

16 ISAAC LEFKOWITZ: -- let me -- let me -- let me

17 finished.

18 ANDREW JIMENEZ, TRUSTEE: -- Mr. Lefkowitz. No, hold on --

19 hold on --

20 ISAAC LEFKOWITZ: -- Just one second, one second --

21 ANDREW JIMENEZ, TRUSTEE: Because this -- this is a

22 proceeding. That the debtor is

23 required to participate and

24 cooperate. So, I'm gonna ask you

25 to please cooperate. Just answer



1 the questions as you're being  
2 asked, don't argue with the person  
3 are asking you questions. Even if  
4 you think it's being repetitive,  
5 you know, the creditors have a  
6 right to ask you questions.  
7 They're asking you questions that  
8 are relevant to the amendments  
9 that you recently filed, and that  
10 you signed under oath. So, please  
11 cooperate so that these --

12 AARON KAUFMAN: All right. So --

13 ANDREW JIMENEZ, TRUSTEE: - - proceedings can move forward.  
14 And just answer the questions and  
15 avoid engaging --

16 AARON KAUFMAN: -- Mr. -- Mr. --

17 ANDREW JIMENEZ, TRUSTEE: -- in conversation, avoid arguing  
18 --

19 ISAAC LEFKOWITZ: (CROSSTALK) --

20 ANDREW JIMENEZ, TRUSTEE: -- with the people asking you  
21 questions.

22 ISAAC LEFKOWITZ: -- all I was gonna say, Mr.  
23 Hernandez [SIC] --

24 AARON KAUFMAN: Let me -- let me -- hold on  
25 everyone. This is Aaron Kaufman.

1 Let me just interject real quick.  
2 At -- at Mr. Jimenez, it's unfair  
3 to suggest that the debtor is not  
4 cooperating, this is the third  
5 continued 341 Meeting. We've  
6 probably going on 8 or 9 hours  
7 with questioning. I understand  
8 cred -- creditors have a right to  
9 ask these questions. We're doing  
10 our best to answer within the  
11 permission we have. Um, we -- you  
12 just asked about an hour's worth  
13 of questions, and I did my best  
14 not to get in the way. These are  
15 repetitive and it gets to the  
16 point of feeling like Mr.  
17 Lefkowitz is being harassed.  
18 Let's try not to repeat questions  
19 and Mr. Lefkowitz won't feel like  
20 he's being harassed, and this will  
21 go a lot smoother. So, Mr. --  
22 with that, ah, Mr. Zluticky, go  
23 ahead and ask your question, let's  
24 -- let's try to get through this.  
25 NICK ZLUTICKY: Did DG Realty Management, LLC loan

1 money to any other Corizon entity  
2 other than the singular 7 1/2-  
3 million-dollar loan where the  
4 repayment is listed on December  
5 27, 2021 on Attachment 13?

6 ISAAC LEFKOWITZ:

Attachment 13 is -- the detail of  
7 what loans DG Realty was -- paid  
8 and received from the debtor and  
9 at this time, there is no  
10 amendments to this exhibit. It is  
11 what it is in front of you.

12 NICK ZLUTICKY:

'Kay. So, I'm going to repeat my  
13 question, but not because it's  
14 been asked before by anyone else,  
15 it's because it's been asked  
16 before by me and not answered.  
17 Did DG Realty Management, LLC make  
18 any other loans to any Corizon  
19 entities other than the 7 1/2  
20 million-dollar loan that were  
21 payments for which is listed on  
22 Attachment 13?

23 ISAAC LEFKOWITZ:

I only have Attachment 13 in front  
24 of me; I only know about  
25 Attachment 13; at this time, there

1 is no amendments to Attachment 13;  
2 and Attachment 13 speaks for  
3 itself. A single transaction.

4 NICK ZLUTICKY: Are you aware of any other  
5 transactions other than what's  
6 listed on Attachment 13?

7 ISAAC LEFKOWITZ: Question's been asked and answered  
8 numerous times, if um, if at this  
9 point, I wanna make an amendment  
10 or is this a true amendment. This  
11 is a true amendment, there's a  
12 single transaction with DG Realty,  
13 and there is no other  
14 transactions.

15 NICK ZLUTICKY: What's the business of DG Realty?

16 ISAAC LEFKOWITZ: You need to ask DG Realty.

17 NICK ZLUTICKY: Do you know?

18 ISAAC LEFKOWITZ: I'm not in a deposition, here.

19 I'm here to answer about the 341  
20 Production Reports.

21 NICK ZLUTICKY: So, you're saying, you're not  
22 going to answer?

23 ISAAC LEFKOWITZ: I'm not gonna answer anything  
24 outside the scope of the -- these  
25 reports; correct. I'm not a

1 director of DG Realty, I'm not an  
2 officer, I'm not an employee --  
3 which questions were asked by the  
4 Trustee whether I am and I  
5 answered, no. So, if you have any  
6 questions about DG Realty, you can  
7 go ahead and get the -- answers  
8 from DG Realty. You can ask me  
9 about this transaction, and I can  
10 give you the answer to this  
11 transaction.

12 NICK ZLUTICKY:

Okay. So, I understand that I'm  
13 gonna need to go to DG Realty to  
14 get some additional information,  
15 I'll do that. So, let's move to -  
16 - Perigrove is listed as just one  
17 word, Perigrove. So, what  
18 entities represented in those two  
19 transactions listed on Attachment  
20 13?

21 ISAAC LEFKOWITZ:

It says in English, Perigrove.

22 NICK ZLUTICKY:

Is Perigrove a trademark? Is it a  
23 corporation? Is it an LLC? Is it  
24 a trust?

25 ISAAC LEFKOWITZ:

An LLC.

1 NICK ZLUTICKY: Perigrove, LLC; is that correct?

2 ISAAC LEFKOWITZ: Correct.

3 NICK ZLUTICKY: In what state is it incorporated?

4 ISAAC LEFKOWITZ: I -- don't have that information

5 in front of me.

6 NICK ZLUTICKY: Are you a member of Perigrove,

7 LLC?

8 ISAAC LEFKOWITZ: No.

9 NICK ZLUTICKY: Who are the members of Perigrove,

10 LLC?

11 ISAAC LEFKOWITZ: That question has been asked and

12 answered, and I'll answer it

13 again. It's Mr. David Gefner and

14 Abraham Goldberger.

15 NICK ZLUTICKY: Are there any members of

16 Perigrove, LLC other than Mr. --

17 David Gefner and Mr. Abe

18 Goldberger?

19 ISAAC LEFKOWITZ: I don't know.

20 NICK ZLUTICKY: I'm sorry, Mr. Lefkowitz, I

21 believe that the end of your

22 answer was cutoff; could you

23 please repeat that answer?

24 ISAAC LEFKOWITZ: I don't -- know.

25 NICK ZLUTICKY: Thank you. What is Perigrove,

1 LLC's relationship to Perigrove  
2 1018, LLC?  
3 ISAAC LEFKOWITZ: Question's been asked, by Mr.  
4 Hernandez [SIC] and I answered  
5 that it has the same principals,  
6 as members.  
7 NICK ZLUTICKY: Perigrove 1018, LLC's members are  
8 Mr. David Gefner and Mr. Abe  
9 Goldberger; is that what you're  
10 saying?  
11 ISAAC LEFKOWITZ: (MUMBLES).  
12 NICK ZLUTICKY: Are there any other members of  
13 Perigrove 1018, LLC other than  
14 David Gefner and Abe Goldberger?  
15 ISAAC LEFKOWITZ: You will need to ask Perigrove  
16 1018 that question.  
17 NICK ZLUTICKY: What is your relationship to  
18 Perigrove 1018, LLC?  
19 ISAAC LEFKOWITZ: I'm a director.  
20 NICK ZLUTICKY: 'Kay, so it sounds like I am  
21 asking them. Who are the other  
22 members of Perigrove 1018, LLC?  
23 AARON KAUFMAN: Hold -- hold -- hold on. Yeah,  
24 Mr. Zluticky, this is Aaron  
25 Kaufman for the record. Ah, I --

1 I'm here on behalf of the debtor,  
2 Mr. Lefkowitz is here on behalf of  
3 the debtor. I can't represent him  
4 in his capacity as the director of  
5 Perigrove, you know that. I'm --  
6 I'm going to instruct him in his  
7 capacity as the debtors  
8 representative here that at --  
9 just because Perigrove counsels is  
10 not here that ah, it's probably  
11 best to not answer that. Ah, I  
12 mean, he's welcome to, but from a  
13 debtors perspective, he -- he  
14 shouldn't be answer questions  
15 without Perigrove's counsel.

16 NICK ZLUTICKY:

About -- so, -- trying to --

17 AARON KAUFMAN:

18 Your -- your -- your quest -- your  
19 -- yeah. Your question just now  
20 was it sounds like I am asking  
21 Perigrove; you're not. You're  
22 asking the debtor.

22 NICK ZLUTICKY:

'Kay.

23 AARON KAUFMAN:

Um, and so and --

24 NICK ZLUTICKY:

So --

25 AARON KAUFMAN:

-- we know Perigrove's counsel is



1 not here.

2 NICK ZLUTICKY: Correct. So, Mr. Lefkowitz do you

3 know whether Perigrove 1018, LLC

4 has other members besides Mr.

5 David Gefner and Mr. Abe

6 Goldberger?

7 ISAAC LEFKOWITZ: I'm not gonna answer without

8 Perigrove 1018's counsel

9 (INAUDIBLE). And you know who she

10 is, Melissa Hayworth, so call

11 Melissa and organize either a

12 deposition or a meeting and we'll

13 confer.

14 NICK ZLUTICKY: You had testified earlier that

15 Perigrove was a -- I think you

16 referred to it as a grandfather

17 company of the entities that owned

18 the debtor. Do you describe what

19 you mean by that?

20 ISAAC LEFKOWITZ: I did not say that Perigrove was a

21 grandfather; you said it, I didn't

22 say it.

23 NICK ZLUTICKY: Ah, I'm going back to your

24 testimony earlier, you said the

25 principals or the principal of

1 grandfather companies of the  
2 debtor.  
3 ISAAC LEFKOWITZ: That is correct.  
4 NICK ZLUTICKY: What do you mean by grandfather  
5 companies?  
6 ISAAC LEFKOWITZ: But that's not what your question  
7 was. Your question was Perigrove  
8 being a grandfather. Perigrove is  
9 not a grandfather.  
10 NICK ZLUTICKY: What do you mean by grandfather  
11 companies of the debtor?  
12 ISAAC LEFKOWITZ: (INAUDIBLE) there is many levels  
13 of entities going up.  
14 NICK ZLUTICKY: And so -- are you saying further  
15 than what level up the chain you  
16 had referred to is a grandfather  
17 company?  
18 ISAAC LEFKOWITZ: I mean, anything one above is a  
19 father and then two above is a  
20 grandfather, three above --  
21 grandfather, great grandfather,  
22 and on and on.  
23 NICK ZLUTICKY: 'Kay. Is Perigrove, LLC lent  
24 money to the debtor any other  
25 times than the one listed when two

1 payments that was repaid in 2022?

2 ISAAC LEFKOWITZ: I'm only aware of this schedule.

3 NICK ZLUTICKY: There's several transfers where M2

4 LoanCo is listed as the um,

5 recipient of the transfer on

6 Attachment 13; do you see that?

7 ISAAC LEFKOWITZ: Yes.

8 NICK ZLUTICKY: Were -- all of the transfers

9 listed made pursuant to the loan -

10 - the credit agreement between M2

11 LoanCo and the debtor?

12 ISAAC LEFKOWITZ: Right.

13 NICK ZLUTICKY: And none of these transfers were

14 made for any purpose other than

15 repayment of the (INAUDIBLE) under

16 the credit agreement?

17 ISAAC LEFKOWITZ: Whatever -- whatever other

18 agreements they have with M2

19 LoanCo same question that Mr.

20 Cross asked. And payment -- in a

21 loan relationship, it's not just a

22 payment of a loan. It's payment

23 of interest, payment of penalties,

24 payment of fees, payment --

25 NICK ZLUTICKY: The payment of amounts due under

1 the loan documents; right?

2 ISAAC LEFKOWITZ: That's correct.

3 NICK ZLUTICKY: In the loan documents, there were

4 form notices um, attached to the

5 third amended in (INAUDIBLE)

6 credit agreement to make payments

7 of interest and prepayments of

8 principal. Do you have -- does

9 the debtor have a records of those

10 notices being sent along with

11 these payments?

12 ISAAC LEFKOWITZ: (INAUDIBLE).

13 NICK ZLUTICKY: Um, who instructed the debtor to

14 make these payments?

15 ISAAC LEFKOWITZ: (INAUDIBLE).

16 NICK ZLUTICKY: I'm -- I'm sorry, Mr. Lefkowitz, I

17 didn't hear that answer.

18 ISAAC LEFKOWITZ: You're asking a general question,

19 I don't have a general answer.

20 NICK ZLUTICKY: Did you instruct the debtor to

21 make any of these payments to M2

22 LoanCo?

23 ISAAC LEFKOWITZ: I don't recall the underlying

24 details of these transfers.

25 NICK ZLUTICKY: Were these -- payments that were

1 made monthly?

2 ISAAC LEFKOWITZ: Ah, -- Nick, you can ask the

3 question in many different ways

4 and you're gonna get the same

5 answer. These were transfers from

6 the debtor to M2 LoanCo; M2 LoanCo

7 was the secured lender. This is a

8 list and an exhibit all the --

9 monies that went from the dent --

10 debtor to M2 LoanCo going out.

11 (LOUD MUSIC PLAYING) --

12 ANDREW JIMENEZ, TRUSTEE: Okay. So --

13 ISAAC LEFKOWITZ: (INAUDIBLE)hear that?

14 (LOUD MUSIC PLAYING)

15 UNKNOWN: I think someone put us hold --

16 (LOUD MUSIC)

17 ISAAC LEFKOWITZ: Yeah, I think --

18 (LOUD MUSIC)

19 ANDREW JIMENEZ, TRUSTEE: Okay. This is Andrew Jimenez.

20 I'm gonna asked if -- if you're

21 not asking questions or answering

22 questions at this moment, please

23 mute your phones, so that we can

24 avoid background noise and

25 interruptions to the meeting.

1 Continue Mr. ah, Zluticky.

2 NICK ZLUTICKY: Um, Mr. Lefkowitz, you don't need

3 to put me on hold ah, if you don't

4 wanna -- answer (LAUGHS).

5 ISAAC LEFKOWITZ: Ah, you can accuse me of anything

6 you wish, but I didn't touch the

7 phone. So --

8 NICK ZLUTICKY: I'm just joking --

9 AARON KAUFMAN: I think that -- that was

10 (CROSSTALK) --

11 ISAAC LEFKOWITZ: (CROSSTALK) --

12 AARON KAUFMAN: Let's -- let's go.

13 ISAAC LEFKOWITZ: I'm -- I'm -- I'm not ready to

14 joke with you.

15 NICK ZLUTICKY: Understood. All right. So -- um,

16 -- M2 LoanCo, LLC those transfers

17 the backup information for these

18 transfers is -- what is the source

19 information?

20 ISAAC LEFKOWITZ: Um, we have given you hundreds of

21 thousands of documents um, you are

22 in communication with M2 LoanCo's

23 counsel. Um, you are in

24 communication with the debtor's

25 counsel. You are in communication

1 with the equity holder's counsel.  
2 You probably -- by now, have more  
3 information than I do. Ah, I'm  
4 here today to explain you the  
5 amended 341 Exhibit. This was not  
6 listed on the previous one, and we  
7 amended it to add and to explain  
8 to you what they are. I don't  
9 have the drill down of the  
10 details. I can tell you who ABC  
11 is AmerisourceBergen, I can tell  
12 you D -- who DG is, I can tell you  
13 M2 LoanCo is. I can tell you who  
14 Perigrove is, and I can tell you  
15 who Pharmacorr is, and I can tell  
16 you the nature of these  
17 transactions. But anything  
18 further than that, I don't have  
19 the answers here today.

20 NICK ZLUTICKY:

And all I'm asking is -- the  
21 source of the information for  
22 what's listed only on the amended  
23 Attachment 13.

24 ISAAC LEFKOWITZ:

And the source of the information  
25 is of the books and records that

1 we have provided to Ankura that  
2 are doing all the analysis and of  
3 the books and records, and to our  
4 counsel of the debtor of Gray  
5 Reed. They have compiled the  
6 information, they've concluded  
7 that an amend -- amended schedule  
8 is required and that's why we did  
9 it.

10 NICK ZLUTICKY: And what did you do to review the  
11 books and records to make sure  
12 that the amended Attachment 13 was  
13 true and correct?

14 ISAAC LEFKOWITZ: In consultation with Ankura and  
15 counsel.

16 NICK ZLUTICKY: Mr. Jimenez, those are all the  
17 questions that I have at this  
18 time; thank you.

19 ANDREW JIMENEZ, TRUSTEE: Thank you. Um, Mr. Collins, could  
20 you please ah, if you have any  
21 questions, please state your name  
22 for the record and who you  
23 represent.

24 PARRISH COLLINS: Ah, yes. This is Parrish Collins  
25 for the Estate of April Trugillo,



1 ah, personal representative  
2 Eugenio Mathison [SIC]  
3 (INAUDIBLE).  
4 ANDREW JIMENEZ, TRUSTEE: Go ahead, sir.  
5 PARRISH COLLINS: Um, may I -- proceed?  
6 AARON KAUFMAN: I'm -- I'm sorry, Mr. --  
7 PARRISH COLLINS: Um --  
8 AARON KAUFMAN: -- this is Aaron Kaufman. Can you  
9 repeat your client's names again,  
10 I didn't catch those two?  
11 PARRISH COLLINS: The -- the personal representative  
12 is Eugenio Mathis. Eugenio is  
13 spelled: E-u-g-e-n-i-o. Mathis:  
14 M-a-t-h-i-s for the Estate of  
15 April Trugillo, who passed away at  
16 the -- Bernalillo County  
17 Metropolitan Detention Center.  
18 AARON KAUFMAN: Okay, thank you.  
19 PARRISH COLLINS: So -- I just wanted to ask about  
20 what, a couple questions about  
21 insurance and then service of  
22 these notices of, you know, the  
23 deadlines.  
24 Um, Mr. Lefkowitz, were -- were  
25 you aware that the notices are

1 being sent to individuals and --  
2 and -- in this case, law firms  
3 that sent courtesy notices of  
4 claims to protect the prisoners'  
5 rights to file a claim under the  
6 Tort Claims Act, even though -- in  
7 -- in my case for instance, I  
8 assume this is true of many others  
9 even though I don't represent  
10 these clients or represent those  
11 inmates?

12 ISAAC LEFKOWITZ:

I'm not sure I'm following your  
13 question. You're asking the  
14 question on behalf of people you  
15 don't represent or you do  
16 represent?

17 PARRISH COLLINS:

I do not represent them, yet I  
18 received notices of claims for  
19 them and I did not agree to accept  
20 service for these -- these  
21 inmates.

22 ISAAC LEFKOWITZ:

Why did you -- so, why don't you  
23 return them to sender?

24 PARRISH COLLINS:

I'm just asking if that's the  
25 practice is to send the notices to

1 the people that sent courtesy  
2 notices of claims rather than  
3 sending them to the inmates  
4 thereby passing the burden?

5 ISAAC LEFKOWITZ: Who (CROSSTALK) --

6 AARON KAUFMAN: Mr. Collins, this is -- this --

7 ISAAC LEFKOWITZ: -- (CROSSTALK) --

8 AARON KAUFMAN: -- hold -- hold on, Mr. Lefkowitz.  
9 This is Aaron Kaufman for the  
10 record. Mr. Collins, I just wanna  
11 to understand your question. Are  
12 -- are you -- well -- are you  
13 saying that ah, you're receiving  
14 notice for claimants that you  
15 don't represent?

16 PARRISH COLLINS: I have a -- thick stack of notices  
17 here for people that we sent  
18 courtesy notices of claims to the  
19 county, I cc'd Corizon, and ah, I  
20 do not represent them. They were  
21 courtesy notices to protect their  
22 claims understand the Tort Claims  
23 Act. And ah --

24 AARON KAUFMAN: Okay.

25 PARRISH COLLINS: -- I don't know how to re -- I

1 don't know how to -- locate them  
2 nor do I feel that's my  
3 responsibility.

4 AARON KAUFMAN:

Understood. So, you -- you're  
5 saying that you're receiving  
6 notices in this bankruptcy case  
7 for claimants, who you wrote to  
8 Corizon ah, to provide courtesy  
9 notices and -- and you don't have  
10 the addresses of those claimants  
11 either; am I understanding you?

12 PARRISH COLLINS:

Right. I -- I ah, sent notices to  
13 the county of Bernalillo, you  
14 know, to protect the claims under  
15 the Tort Claims Act in the -- you  
16 know -- New Mexico Civil Rights  
17 Act. Yeah, we cc'd Corizon as a  
18 courtesy and I have no contact  
19 with most of these people. Yet,  
20 you know, I have all these notices  
21 and -- and, you know, without, you  
22 know -- in --any contact or legal  
23 relationship with the vast  
24 majority of them.

25 AARON KAUFMAN:

And -- and you're assuming that

1 Corizon should have their  
2 addresses or you don't know?  
3 PARRISH COLLINS: I think -- I am saying that  
4 Corizon should be sending these  
5 notices as ah, Mr. Jimenez asked  
6 earlier to the actual inmates not  
7 to -- to individuals that, you  
8 know, file courtesy notices of  
9 claims, those are not, the notices  
10 of claims do not constitute legal  
11 representation, they're simply  
12 courtesy notices to protect the  
13 statute.

14 AARON KAUFMAN: And -- and you don't have those  
15 addresses, is that what you're  
16 saying?

17 PARRISH COLLINS: I don't have those addresses, that  
18 would be a very large burden to  
19 track these people down, nor do I  
20 have a obligation to track them  
21 down. They are not my clients.

22 AARON KAUFMAN: Let -- let -- let me just ask Mr.  
23 Lefkowitz a question real quick.  
24 Mr. Lefkowitz, it's -- you heard  
25 what Mr. Collins said. Do you

1 agree it would be a burden to  
2 track down those addresses?  
3 ISAAC LEFKOWITZ: Ah, -- I think what happened here  
4 is he filed, you know, courtesies,  
5 so he got the courtesy back, and  
6 he was just cc'd by KCC. Um, so,  
7 don't worry about his notices. We  
8 -- we are sending notices all over  
9 the place and sometimes  
10 inadvertently, some people, who  
11 were -- do not supposed to get  
12 notices are getting duplicates.  
13 So, don't worry about the postage.  
14 ANDREW JIMENEZ, TRUSTEE: So, this is Andrew Jimenez.  
15 ISAAC LEFKOWITZ: Okay. Well, what I'm saying --  
16 ANDREW JIMENEZ, TRUSTEE: Hold -- what --  
17 ISAAC LEFKOWITZ: -- what I'm saying --  
18 ANDREW JIMENEZ, TRUSTEE: -- yes, one moment. This is --  
19 ISAAC LEFKOWITZ: -- can I follow up?  
20 ANDREW JIMENEZ, TRUSTEE: -- yes -- yes, you can. Ah, let -  
21 - let me just state this for the  
22 record and then I'll let you ah,  
23 continue if you have any  
24 questions. Ah, I'm -- I'm going  
25 to encourage ah, ah, Mr. Kaufman

1 and Mr. -- Zluticky ah, and Mr.  
2 Collins, I think it would be  
3 appropriate if ah, at -- after the  
4 conclusion of this meeting um, you  
5 can have a -- a conversation about  
6 this and perhaps ah, (STAMMERS) --  
7 this -- this, you know, this -- I  
8 know this is just an example of --  
9 of -- of -- of a situation, but  
10 perhaps it could -- it could be  
11 informative ah, for the debtor and  
12 for the committee, as to how to  
13 improve the process of sending  
14 notice -- actual notice to -- to  
15 the claimants ah, in -- in -- in  
16 this case. And ah, I -- I think  
17 it would be very helpful if -- if  
18 -- ah, the three of you could get  
19 together and just discuss this a  
20 little more, ah, so that perhaps  
21 you can exchange ideas as to how  
22 to address this going forward.  
23 Ah, because I think what is most -  
24 -- what's most important is that  
25 all the claimants ah, get a fair

1 opportunity receive notice. Ah,  
2 and we don't want anything to be -  
3 - anyone to miss the opportunity  
4 ah, simply because the -- the --  
5 the notice is being sent to -- to  
6 someone else, an attorney that is  
7 no longer involved with the  
8 claimant. So, it -- it's another  
9 challenge for this case --

10 AARON KAUFMAN: Under -- under --

11 ANDREW JIMENEZ, TRUSTEE: -- I recognize that. But I -- I  
12 think it would be good too --

13 AARON KAUFMAN: -- no, and -- Mr. -- Mr. --

14 ANDREW JIMENEZ, TRUSTEE: -- to discuss that ah, --

15 AARON KAUFMAN: -- Mr. Jimenez, well --

16 ANDREW JIMENEZ, TRUSTEE: -- off the record.

17 AARON KAUFMAN: -- Mr. Zluticky and I will confer  
18 again. We -- we certainly did  
19 extensively when we worked out the  
20 Bar Date Notice, ah, procedures  
21 and got that court (INAUDIBLE)  
22 order and if its -- I'll confer  
23 with him again. We certainly have  
24 a lot of discussions to do over  
25 the course (INAUDIBLE) for the next



1 several months. So, we -- we'll  
2 add this to the list of things we  
3 discuss.

4 ANDREW JIMENEZ, TRUSTEE: I appreciate it. I appreciate  
5 that. Mr. Collins, -- ah, do you  
6 have any other questions for the  
7 debtor?

8 PARRISH COLLINS: Bottom of the schedule is any --  
9 can insurance reserve for New  
10 Mexico for the Bernalillo County  
11 Detention Center? And I'm trying  
12 to -- I don't understand exactly  
13 the 15 million -- you know, the 1  
14 million paid by Corizon, the next  
15 15 million, I think (INAUDIBLE)--  
16 it was stated that that's paid by  
17 the insurer, and ah, anything  
18 above the 16 million, I guess,  
19 (INAUDIBLE) one is paid again by  
20 Corizon. And I don't see, you  
21 know, where, you know, what  
22 reserves -- insurance reserves --  
23 there are for New Mexico and I  
24 would like to, (INAUDIBLE), know  
25 are there reserves in New Mexico,

1 and if so, you know, -- what are  
2 they exactly? And (STAMMERS) --  
3 ISAAC LEFKOWITZ: Do you see -- do you see any other  
4 states?  
5 PARRISH COLLINS: I'm seeing -- yeah, there's a list  
6 of various companies, you know,  
7 ah, Arizona, and they're -- a  
8 couple other states, but I guess,  
9 yeah -- what I'm getting at is  
10 this 15 million global nationally  
11 or is this -- is this per state?  
12 ISAAC LEFKOWITZ: I don't know. The -- I don't know  
13 the -- I don't what the answer is,  
14 but you asked -- you don't see  
15 Bernalillo. And I'm telling you,  
16 you don't see Philadelphia,  
17 either. You don't see Baltimore,  
18 either. So, why you hung up on  
19 Berna (CROSSTALK) --  
20 PARRISH COLLINS: Are -- are they --  
21 ISAAC LEFKOWITZ: -- these are a list of (CROSSTALK)  
22 --  
23 PARRISH COLLINS: -- that's -- that's where our --  
24 that's where our lawsuit is filed  
25 and we received a (INAUDIBLE) of

1 litigation based upon this  
2 bankruptcy. So, that's why  
3 (CROSSTALK) --

4 ISAAC LEFKOWITZ: I --

5 PARRISH COLLINS: -- I'm here to --

6 ISAAC LEFKOWITZ: -- I under -- I -- I understand  
7 that. So, you -- you need to file  
8 a claim and we're in the midst of  
9 mediation with all these insurance  
10 carriers to deal with all the  
11 claim holders. And you're one of  
12 them. But ah, you asked the  
13 question, how come you don't see  
14 Bernalillo listed here, this is  
15 not listed by city or state.  
16 These are just names --

17 PARRISH COLLINS: And --

18 ISAAC LEFKOWITZ: -- of insurance carriers and  
19 policy numbers.

20 PARRISH COLLINS: -- right. And that wasn't my  
21 question. My question was is the  
22 15 million policy -- is -- is that  
23 global nationally or is that -- by  
24 -- is that 15 million per state  
25 and per entity -- or per

1 correctional facility?

2 AARON KAUFMAN:

Ah -- let me -- let me just  
interject; this is Aaron Kaufman  
for the record. Ah, Mr. -- Mr.  
Collins, I'm gonna just ask you to  
reach out to us off -- offline  
'cause this is a very, very  
complicated ah, question that  
you're raising. It really depends  
--

11 PARRISH COLLINS:

Okay.

12 AARON KAUFMAN:

-- on --

13 PARRISH COLLINS:

All right.

14 AARON KAUFMAN:

-- which policy covers when --  
when your claim arose, ah, which  
policy might be implicated or  
policies might be implicated. Ah,  
as -- as Mr. -- I think, Mr.  
Lefkowitz is trying to explain to  
you, these policies aren't  
necessarily um, listed by state or  
county, um, and it -- it's  
something that counsel, we have a  
pretty good handle on, we think,  
and we're happy to work with you

1 on it. I just don't think Mr.

2 Lefkowitz --

3 PARRISH COLLINS: Okay.

4 AARON KAUFMAN: -- in a position to answer your  
5 question sitting here today, at  
6 this time.

7 PARRISH COLLINS: Okay.

8 AARON KAUFMAN: (CROSSTALK) -- schedules in front  
9 of him.

10 PARRISH COLLINS: So -- is this Mr. Kaufman  
11 speaking?

12 AARON KAUFMAN: Yes. You can reach out to me and  
13 actually, I would encourage you to  
14 reach out to my partner, Amber  
15 Carson, here at Gray Reed 'cause  
16 she's kind of running point on  
17 this.

18 PARRISH COLLINS: (STAMMERS) -- what -- now that's  
19 ah -- which one? Amber -- is that  
20 Amber Carson, is that what you  
21 said?

22 AARON KAUFMAN: (INAUDIBLE).

23 PARRISH COLLINS: Okay. And then, I assume -- yeah,  
24 one more question. I'm looking at  
25 your LinkedIn page Mr. Lefkowitz.

1 And ah, you're of the executive  
2 board member of Genesis. Is that  
3 -- does that have any legal  
4 relationship to Corizon or  
5 Yescare?

6 ISAAC LEFKOWITZ: You see LinkedIn on the schedule  
7 here?

8 PARRISH COLLINS: I'm asking you about Genesis and  
9 your -- your -- you're an  
10 executive board member for  
11 Genesis. I'm wondering if that's  
12 legally related to Corizon or  
13 Yescare or Tehum, and if so, why  
14 it's not on the schedule.

15 ISAAC LEFKOWITZ: You can reach out to the in-house  
16 counsel of Genesis and we'll  
17 gladly provide you all (MUMBLES).

18 PARRISH COLLINS: But I'm asking you is Genesis have  
19 a legal relationship --

20 ISAAC LEFKOWITZ: I'm -- I'm here to respond to  
21 information that's on this  
22 schedule, and this schedule is  
23 what I signed for and this  
24 schedule doesn't need to be  
25 amended. So, the list all the

1 affiliates --

2 PARRISH COLLINS: But --

3 ISAAC LEFKOWITZ: -- and any -- any other affiliates  
4 that you find on social media is  
5 not listed here, you gotta go out  
6 and reach out to that -- that  
7 company and see what relationship  
8 they have, if any.

9 PARRISH COLLINS: Okay. So, your testimony is that  
10 Genesis has no legal relationship  
11 to Corizon since it's not on the  
12 schedule?

13 ISAAC LEFKOWITZ: I didn't say anything about  
14 Genesis. And don't put any words  
15 into my mouth. All I'm saying --

16 PARRISH COLLINS: Well, that's why I'm asking you is  
17 -- was Genesis --

18 ISAAC LEFKOWITZ: -- and I'm (CROSSTALK) --

19 PARRISH COLLINS: -- omitted --

20 ISAAC LEFKOWITZ: -- and I'm here to respond to you.  
21 Whatever affiliate financial  
22 transfers that were done to  
23 affiliates is listed on this  
24 schedule. Anything outside this  
25 schedule you gotta take it

1 elsewhere; it doesn't belong in  
2 this meeting.

3 ANDREW JIMENEZ, TRUSTEE: Mr. -- Mr. Lefkowitz --

4 PARRISH COLLINS: Okay. So, -- in that -- and --

5 ANDREW JIMENEZ, TRUSTEE: -- this is -- hold on a second.

6 PARRISH COLLINS: -- there's also --

7 ANDREW JIMENEZ, TRUSTEE: Hold on a second. This is Andrew  
8 Jimenez. Mr. Lefkowitz, -- you  
9 can answer the questions. You are  
10 -- you are required to answer the  
11 questions. I don't think it's  
12 appropriate for you to tell a cred  
13 -- someone participating in the --  
14 in the meeting what questions they  
15 ask you or not. I think that --  
16 at -- that question is actually  
17 relevant --

18 ISAAC LEFKOWITZ: (CROSSTALK) --

19 ANDREW JIMENEZ, TRUSTEE: -- they're trying to see if there  
20 is an affiliate or not. You're  
21 giving him an answer. You're  
22 saying that if it's not in the  
23 schedules, the schedules don't  
24 need to be amended. But guess  
25 what? And we have -- we -- we --



1 this is the -- the third time --  
2 the second time that you amend  
3 schedules. So, I think the  
4 question is relevant. Please be  
5 respectful to the questions, try  
6 to answer it. If you don't have -  
7 - if you don't know the answer,  
8 just -- just state that and move  
9 on. But let's be cordial with  
10 people participating in this -- in  
11 this meeting.

12 ISAAC LEFKOWITZ: So, I'm --

13 ANDREW JIMENEZ, TRUSTEE: Mr. --

14 ISAAC LEFKOWITZ: -- cordial. But all I'm -- all  
15 I'm saying is Mr. Hernandez [SIC]  
16 --

17 ANDREW JIMENEZ, TRUSTEE: It's Mr. Jimenez.

18 ISAAC LEFKOWITZ: -- you know. The guy is asking a  
19 question about -- about LinkedIn.  
20 He's not asking me a question  
21 about a documents. He's not  
22 asking me question about a  
23 schedule. He's not asking a  
24 question about a report.

25 (CROSSTALK) --

1     ANDREW JIMENEZ, TRUSTEE:           He asked you a question --

2     ISAAC LEFKOWITZ:                 -- he's asking a question that he

3   Googled --

4     ANDREW JIMENEZ, TRUSTEE:         -- I'm not here -- I'm not here to

5   have a -- a -- a -- discussion

6   with you. Okay? And neither are

7   -- neither are the -- the -- the

8   people participating in this -- in

9   this meeting. Just answer the

10                                        questions and avoid entering into

11                                        the discussions; okay? Let's just

12                                        move forward.

13    PARRISH COLLINS:                 Okay. Can I -- ask it this way,

14                                        are you an executive board member

15                                        of Genesis as it indicates on your

16                                        LinkedIn page?

17    ISAAC LEFKOWITZ:                 And I decline to answer the

18                                        question.

19    PARRISH COLLINS:                 Ah, Mr. Jimenez, ah, can you

20                                        direct him to answer the question,

21                                        please?

22    ANDREW JIMENEZ, TRUSTEE:         That's his answer. Ah, you stated

23                                        the record, you can -- you can ask

24                                        your follow up question, if you

25                                        have one.

1 PARRISH COLLINS: Okay. So, I guess, since you're  
2 assuming to answer whether or not  
3 you're an executive board member  
4 of Genesis, are you also refusing  
5 to answer whether or not Genesis  
6 has a legal relationship to  
7 Corizon, Yescare, or Tehum?

8 AARON KAUFMAN: Mr. -- Mr. Collins, this is Aaron  
9 Kaufman. I -- just want you to  
10 clarify what legal relationship  
11 means, if you could. And that way  
12 --

13 PARRISH COLLINS: Do they -- is there an (CROSSTALK)  
14 --

15 AARON KAUFMAN: (MUMBLES) --

16 PARRISH COLLINS: -- equity -- an equity relation --  
17 okay. Sorry. Yeah, is there an -  
18 - any kind of ownership interest  
19 between (INAUDIBLE) direction  
20 between Genesis and Corizon,  
21 Tehum, Yescare, or any, you know,  
22 other entities setup under  
23 Corizon?

24 AARON KAUFMAN: That's, well -- that -- that --  
25 that question is ah, (STAMMERS) --

1 has assumptions in there that I  
2 don't think are correct. Why  
3 don't you break up a little bit,  
4 and just about Tehum.

5 PARRISH COLLINS: Okay. Well, I'm asking about  
6 Corizon, (INAUDIBLE) because the  
7 (INAUDIBLE) and now (INAUDIBLE)  
8 (CROSSTALK) --

9 AARON KAUFMAN: (CROSSTALK) -- ask about Corizon -  
10 -

11 PARRISH COLLINS: -- Genesis (CROSSTALK) --

12 AARON KAUFMAN: -- I don't -- I don't represent  
13 Yescare and I don't know anything  
14 about Yescare that ah, -- that I  
15 can guide Mr. Lefkowitz to answer.

16 PARRISH COLLINS: Okay. Ah, does Genesis have any  
17 kind of equity or any kind of  
18 other ownership interest in  
19 Corizon, Tehum, or Yescare, since  
20 you are on the board of Yescare?

21 AARON KAUFMAN: Let's -- again, let's limit it to  
22 the debtor and (INAUDIBLE) Tehum,  
23 Corizon. I don't represent  
24 Yescare, and I can't -- I can't  
25 guide Mr. Lefkowitz to answer

1 about Yescare.

2 PARRISH COLLINS: Okay. So again, we gotta stay

3 here in New Mexico related to

4 Corizon New Mexico and Tehum. So

5 does Genesis have any equity or

6 ownership interest in Corizon or

7 Tehum?

8 ISAAC LEFKOWITZ: I'm not aware of any.

9 PARRISH COLLINS: Okay. And then does ah, Corizon

10 or Tehum have any ownership

11 interest in Genesis?

12 ISAAC LEFKOWITZ: I'm not aware of any.

13 PARRISH COLLINS: Okay. And then, I have the same

14 question for Synergy Health Care

15 Services. It looks like you're

16 executive board member there, as

17 well. So, does Synergy Health

18 Care Services have any ownership

19 interest in Corizon or Tehum?

20 ISAAC LEFKOWITZ: I'm a board member of a dozen

21 companies. Are you gonna go

22 through all these companies?

23 Whatever -- whoever owns the

24 debtor has been disclosed. It's

25 been disclosed on the ah,

1 (INAUDIBLE) bankruptcy and the  
2 merger, it's been disclosed in --  
3 ANDREW JIMENEZ, TRUSTEE: Mr. Lefkowitz, --  
4 ISAAC LEFKOWITZ: -- the bankruptcy --  
5 ANDREW JIMENEZ, TRUSTEE: -- please answer the question.  
6 ISAAC LEFKOWITZ: -- I don't think -- I don't think  
7 -- what's that?  
8 ANDREW JIMENEZ, TRUSTEE: Please provide an answer.  
9 PARRISH COLLINS: (CROSSTALK) -- it sounds like he's  
10 amended several times, I'm just  
11 wondering if it needs to be  
12 amended again to add either Syn --  
13 Synergy or Genesis.  
14 ISAAC LEFKOWITZ: I'm -- and I'm -- and I'm -- and  
15 I'm telling you at this point, we  
16 don't need to amend anything.  
17 PARRISH COLLINS: Okay. All right. That's all my  
18 questions.  
19 ANDREW JIMENEZ, TRUSTEE: Thank you, Mr. Collins. Is there  
20 any other creditor or people,  
21 person participating in the call  
22 that wishes to ask questions to  
23 the debtor?  
24 VAL EARLY: Yes.  
25 ANDREW JIMENEZ, TRUSTEE: Please -- please state your name

1  
2  
3 VAL EARLY:

for the record and who you  
represent.  
I'm Val Early and I represent  
Tracey Gissom. Good afternoon,  
Mr. Lefkowitz, Mr. Kaufman. I  
have a couple of follow up  
questions for you. Um, in the  
initial 341, and this is a  
Continued 341, so this is a topic  
which can be discussed here. I  
ask you about the ah, ah, ah,  
privacy concerns with respect to  
the medical records and personal -  
- personally identifiable  
information of the prisoners under  
the care of Corizon or Tehum or --  
whichever entity -- handled that  
for those individuals. As I  
recall, and please by all means  
correct me if I'm wrong, but as I  
recall, you said that that those  
records were maintained on the  
debtor's servers and that they  
were secure. If -- if -- am I  
recalling that accurately?

1 ISAAC LEFKOWITZ:

I don't know what records you're  
2 referring you're referring to. I  
3 think we -- discuss what record --  
4 the last meeting we discussed what  
5 records we had. We have names,  
6 inmate names, inmate numbers,  
7 inmate date of births, and inmate  
8 locations, that's all we have.

9 VAL EARLY:

Okay. Thank you. And -- and am I  
10 correct in recalling your  
11 testimony to be that that  
12 information is maintained on the  
13 debtor's servers and that it is  
14 secure; am I correct in  
15 remembering that?

16 ISAAC LEFKOWITZ:

Correct.

17 VAL EARLY:

Okay. Very well. Um, -- we also  
18 discussed in the earlier ah,  
19 iteration of this particular  
20 creditor's meeting ah, the need to  
21 -- to provide protection under  
22 HIPAA the federal privacy law.  
23 And -- and I'll ask you if you're  
24 familiar with ah, an entity known  
25 as Royal Ransomware or Red Packet



1 Security?

2 ISAAC LEFKOWITZ: Yes.

3 VAL EARLY: And -- and tell me how it is that

4 you became familiar with -- with -

5 - first tell me which of those

6 entities are you familiar with,

7 Royal Ransomware or ah, Red Packet

8 Security?

9 ISAAC LEFKOWITZ: We have a (CROSSTALK) --

10 AARON KAUFMAN: Mr. -- Mr. Early, this is Aaron

11 Kaufman. Can -- can I just a --

12 ask where you're going and what

13 this has to do with the schedules?

14 VAL EARLY: You -- you -- yeah, it has to do

15 with this 341 Meeting. And Mr.

16 Kaufman, I'll just tell you if you

17 want to protective order, then I'm

18 gonna suggest to you that you ask

19 for a continuance of this 341

20 Meeting and file your motion.

21 AARON KAUFMAN: Well, I, you know, I'm happy to --

22 VAL EARLY: And we proceed --

23 AARON KAUFMAN: -- ah, do this offline, if you

24 have specific questions --

25 VAL EARLY: Well, I'm -- I'm happy to do it

1 online.

2 AARON KAUFMAN: (CROSSTALK) --

3 VAL EARLY: We're gonna do it in an open

4 forum. That's the purpose of this

5 meeting.

6 AARON KAUFMAN: All right. Well, --

7 VAL EARLY: And the debtor --

8 AARON KAUFMAN: -- I just instruct the -- I'm

9 gonna have to instruct my client

10 not to answer if you wanna do

11 this.

12 VAL EARLY: -- okay. Mr. Jimenez, will you

13 please record that fact?

14 AARON KAUFMAN: You haven't asked a question, yet.

15 I just ask you are you --

16 VAL EARLY: I did ask a question. I did ask a

17 question.

18 ANDREW JIMENEZ, TRUSTEE: Okay. So, --

19 VAL EARLY: It has not been answered.

20 ANDREW JIMENEZ, TRUSTEE: -- did you --

21 VAL EARLY: I asked him if he -- which entity

22 with which he is familiar.

23 ANDREW JIMENEZ, TRUSTEE: Okay. Yes, and --

24 AARON KAUFMAN: Answer, if you can.

25 ANDREW JIMENEZ, TRUSTEE: -- Mr. -- okay. Mr. -- Mr.

1 Kaufman, you've already made your  
2 ah, your objection ah, Mr. -- Mr.  
3 Early ah, ask your questions and  
4 then the debtor can provide an  
5 answer. And -- and ah --  
6 VAL EARLY: Thank you.  
7 ANDREW JIMENEZ, TRUSTEE: -- and I -- I -- I -- everyone to  
8 know, so this meeting is being  
9 recorded. And if anyone wants a  
10 copy of the recording, please send  
11 me an email, ah, at the conclusion  
12 of the ah, of -- of the meeting  
13 and then ah, we can process that  
14 for you. Mr. Early, go -- go  
15 ahead, continue.  
16 VAL EARLY: Thank you. Mr. Lefkowitz, are you  
17 familiar with Royal Ransomware and  
18 if so, how?  
19 ISAAC LEFKOWITZ: So, I believe we have a ah,  
20 protective order from the  
21 bankruptcy court on the subject  
22 and I will not (INAUDIBLE)  
23 (INAUDIBLE) and I will not get  
24 into any discussion on this topic.  
25 VAL EARLY: All right. Let me ask the same

1 question about Red Packet  
2 Security. Are you familiar with  
3 Red Packet and if so, how?  
4 ISAAC LEFKOWITZ: Same answer.  
5 VAL EARLY: Mr. Kaufman, would you please  
6 provide to me by email a copy of  
7 your protective order?  
8 AARON KAUFMAN: It's under seal um, you're welcome  
9 to take this up with the  
10 bankruptcy judge.  
11 VAL EARLY: I will be delighted to do that.  
12 Other follow along questions, at  
13 the last iteration of this 341  
14 Meeting, Mr. Lefkowitz, you  
15 answered that ah, the debtor had  
16 made pre-petition payments to  
17 Geneva, and I do not see that  
18 listed on the attachment, which  
19 ah, you've been referring to this  
20 afternoon. Ah was -- was -- was  
21 that already listed elsewhere or -  
22 - or should it be on this one or I  
23 -- I'm really just asking for  
24 clarification.  
25 ISAAC LEFKOWITZ: (NO VERBAL RESPONSE HEARD).

1 AARON KAUFMAN: Ask your question again, I'm not  
2 sure, I may misunderstood.

3 VAL EARLY: Is -- is -- is the transfer  
4 (INAUDIBLE) million-dollar payment  
5 to Geneva to which Mr. Lefkowitz  
6 testified at an earlier ah, ah  
7 convening of this 341 Meeting, is  
8 that reflected anywhere in -- in  
9 these amended and restated  
10 schedules? I do not see it on  
11 Attachment 13. Is it provided  
12 elsewhere? It's a yes or no  
13 question.

14 AARON KAUFMAN: I'm -- I'm looking myself, I  
15 thought it was on here.

16 VAL EARLY: And it may be on there. I ah --  
17 (STAMEMRS) -- I don't know. I  
18 don't see it. But that's fine.  
19 I'm a --

20 AARON KAUFMAN: Well, yeah. I don't think it's in  
21 13, but I thought it was on -- in  
22 one of the other schedules, maybe  
23 -- four. (MUMBLES).

24 ANDREW JIMENEZ, TRUSTEE: A -- again, the --

25 AARON KAUFMAN: Maybe not --

1 ANDREW JIMENEZ, TRUSTEE: -- quest -- the question is for  
2 the witness --  
3 AARON KAUFMAN: -- I'm not sure.  
4 ANDREW JIMENEZ, TRUSTEE: -- to answer.  
5 VAL EARLY: Mr. Lefkowitz, if you don't know,  
6 that's okay. Just say, I don't  
7 know.  
8 ISAAC LEFKOWITZ: Ah, I don't have it -- I don't  
9 have it in front of me, I'm -- I'm  
10 sure -- if you know about it, you  
11 -- must have gotten it from this  
12 report.  
13 VAL EARLY: No, sir. I know about it from  
14 your personal -- prior testimony  
15 and I'm asking you where it is on  
16 the report. But that's okay. If  
17 you don't know, I'm happy to  
18 accept that answer.  
19 ISAAC LEFKOWITZ: I don't know.  
20 VAL EARLY: Thank you. All right. Do these  
21 newly amended schedules -- and --  
22 and I think I know the answer to  
23 this. I think the answer is yes,  
24 but if not, tell me. Does it now  
25 provide a completed list of the

1 persons and/or entities to who the  
2 debtor believes it owes  
3 indemnification? Is that -- is  
4 that list now complete?  
5 ISAAC LEFKOWITZ: I'm not aware of (INAUDIBLE). Is  
6 there an indemnification schedule  
7 there?  
8 UNKNOWN: (STAMMERS) -- yeah, Isaac, this is  
9 what we covered in (INAUDIBLE).  
10 ISAAC LEFKOWITZ: Oh. So then the last -- last  
11 hearing it's been complete;  
12 (INAUDIBLE).  
13 UNKNOWN: That's correct.  
14 ISAAC LEFKOWITZ: To the best of my knowledge.  
15 VAL EARLY: So it's -- it is complete to the  
16 best of your knowledge. Okay.  
17 Thank you. That's all the  
18 questions I had.  
19 ISAAC LEFKOWITZ: Thank you.  
20 ANDREW JIMENEZ, TRUSTEE: Thank you, Mr. Early. Anyone --  
21 is there anyone else on the call  
22 that wishes to ask questions?  
23 (NO VERBAL RESPONSE HEARD).  
24 ANDREW JIMENEZ, TRUSTEE: Okay. It appears that everyone  
25 present today had an opportunity

1 to ask questions. Thank you all  
2 for your appearances. This  
3 meeting is concluded.

4 VAL EARLY:

Thank -- thank you, Mr. Jimenez.  
5 Thank you, gentleman.  
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